



### AAYUSH WELLNESS LIMITED

Our Company was originally incorporated as 'Arihant Properties and Plantation Limited' on June 02, 1984 with the Registrar of Companies, Delhi & Haryana, as a Public limited Company under the provisions of the Companies Act, 1956. Subsequently our Company changed its name to Maa Kamakhya Ayurveda Limited on March 07, 2007. Further the name of our Company was changed to Patanjali Food and Herbs Limited on December 06, 2007. Thereafter, the name of the company was further changed to Aayush Food and Herbs Limited on March 04, 2010, with the Registrar of Companies, Delhi & Haryana. Pursuant to a resolution of our Shareholders passed through Postal Ballot on May 03, 2024, the name of our Company was changed to Aayush Wellness Limited from Aayush Food and Herbs Limited and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Registrar of Companies, Delhi & Haryana on June 18, 2024. For further details, kindly refer to the section titled 'General Information' beginning on page 32 of this Draft Letter of Offer.

**Corporate Identification Number:** L01122DL1984PLC018307.

**Registered Office:** 55, 2nd Floor, Lane 2, Westend Marg, Saidullajab, Near Saket Metro Station, New Delhi, Delhi, 110030;

**Corporate Office:** 310 B Wing Orchard Road, Royal Palms, Survey No 169, Aareymilk Colony, Mumbai, Goregaon East, Maharashtra, India, 400065

**Contact Details:** +91- 8448693031; **Contact Person:** Ms. Sakshi Chopra, Company Secretary and Compliance Officer;

**Email-ID:** [cs@aayushwellness.com](mailto:cs@aayushwellness.com); **Website:** [www.aayushwellness.com](http://www.aayushwellness.com)

### PROMOTER OF OUR COMPANY IS MS. PALLAVI MITTAL FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF OUR COMPANY

RIGHTS ISSUE OF UP TO [●] PARTLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹1.00/- (RUPEES ONE ONLY) ('EQUITY SHARES') EACH AT A PRICE OF ₹[●]/- (RUPEES [●] ONLY) PER RIGHTS SHARE (INCLUDING A PREMIUM OF ₹[●]/- (RUPEES [●] ONLY) PER RIGHTS SHARE) ('ISSUE PRICE') ('RIGHTS SHARES') FOR AN AMOUNT UP TO ₹4990.00 LAKHS (RUPEES FORTY NINE CRORES NINETY LAKHS ONLY) ON A RIGHTS ISSUE BASIS TO THE ELIGIBLE SHAREHOLDERS OF AAYUSH WELLNESS LIMITED IN THE RATIO OF [●] RIGHTS SHARES FOR EVERY [●] EQUITY SHARES HELD BY SUCH ELIGIBLE SHAREHOLDERS AS ON THE RECORD DATE, [●] ('ISSUE'). THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, KINDLY REFER TO THE SECTION TITLED 'TERMS OF THE ISSUE' BEGINNING ON PAGE 98 OF THIS DRAFT LETTER OF OFFER.

\*Assuming full subscription and receipt of all Call Monies with respect to Right Shares.

### PAYMENT METHOD FOR THE ISSUE

AMOUNT PAYABLE PER RIGHTS EQUITY SHARE	FACE VALUE	PREMIUM	TOTAL
On Application	[●]	[●]	[●]
One or more subsequent Call(s) as determined by our Board/ Committee at its sole discretion, from time to time	[●]	[●]	[●]
<b>Total</b>	<b>₹1.00/-</b>	[●]	[●]

### WILFUL DEFAULTERS AND/OR FRAUDULENT BORROWERS

Neither our Company, nor our Promoter, or Directors are or have been categorized as willful defaulters or fraudulent borrowers by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters or fraudulent borrowers issued by the Reserve Bank of India.

### GENERAL RISK

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 Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The Rights 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 Draft Letter of Offer. Investors are advised to refer 'Risk Factors' beginning on page 16 of this Draft 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 Draft 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 Draft 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 Draft 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 and traded on BSE Limited. Our Company has received in-principle approval from BSE Limited pursuant to its letter bearing reference number '[●]' dated [●], for listing of the Rights Shares. Our Company will also make applications to the BSE Limited to obtain trading approvals 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 this Issue, BSE Limited is the Designated Stock Exchange.

### REGISTRAR TO THE ISSUE



#### REGISTRAR TO THE OFFER

**Skyline Financial Services Private Limited**

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

Contact Person: Mr. Anuj Rana

Tel. Number: 011 40450193-197

Email: [ipo@skylinerta.com](mailto:ipo@skylinerta.com); [grievances@skylinerta.com](mailto:grievances@skylinerta.com)

Website: [www.skylinerta.com](http://www.skylinerta.com)

SEBI Registration No.: INR000003241

Validity: Permanent

Corporate Identification Number: U74899DL1995PTC071324

### ISSUE PROGRAMME

ISSUE OPENING DATE	LAST DATE FOR MARKET RENUNCIATION*	ISSUE CLOSING DATE**
[●]	[●]	[●]

\*Eligible 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 committee thereof will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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## SECTION I - GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### DEFINITIONS

This Draft 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. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective Applicant only and is not exhaustive.

In this Draft 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 Aayush Wellness Limited as the context requires, and references to ‘you’ are to the Eligible Shareholders and/ or prospective Investors in this Right Issue of Equity Shares.

The words and expressions used in this Draft 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 page 45, 42, 60, 88, and 98 respectively, shall have the meaning given to such terms in such sections.

#### CONVENTIONAL/ GENERAL TERMS

Term	Description
Aayush Wellness Limited/ Company	Aayush Wellness Limited, a public limited company incorporated under the provisions of the Companies Act, 2013, as amended from time to time.
We/ us/ our	Unless the context otherwise indicates or implies, refers to Aayush Wellness Limited.
AoA/ Articles of Association	The Articles of Association of Aayush Wellness Limited, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with the provisions of Section 177 of the Companies Act and Regulation 18 of the SEBI (LODR) Regulations.
Audited Financial Statements	The audited financial statements of our Company prepared in accordance with Indian Accounting Standards for the Financial Years ending March 31, 2024, March 31, 2023 and March 31, 2022.
Auditors/ Statutory Auditors/ Peer Review Auditor	The current statutory auditors of our Company M/s. Bakliwal & Co., Chartered Accountants having Firm Registration Number ‘130381W’.
Board of Directors/ Board	Board of Directors of our Company.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Ms. Sakshi Chopra.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Mr. Surajmal Basantlal Jain
Directors	The director(s) on the Board of our Company, unless otherwise specified.
Eligible Shareholder(s)	Eligible holder(s) of the Equity Shares of Aayush Wellness Limited as on the Record Date.
Equity Shares	Equity Share of the Company having face value of ₹1.00 (Rupees One Only).
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Sections 2(47) and 149(6) of the Companies Act and Regulation 16 (1) of the SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled ‘ <i>Our Management</i> ’ beginning on page 57 of this Draft Letter of Offer.
ISIN of our Company	International Securities Identification Number being INE430R01023.
Key Management Personnel /KMP	Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act. For details, please refer to section titled ‘ <i>Our Management</i> ’ beginning on page 57 of this Draft Letter of Offer.
Materiality Policy	A policy adopted by our Company, for identification of material litigation(s) for the purpose of disclosure of litigations.
MoA/ Memorandum of Association	The Memorandum of Association of Aayush Wellness Limited, as amended from time to time.
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company’s Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations.
Promoters	The promoter of our Company is Mrs. Pallavi Mittal.
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations and as disclosed by our Company in the filings made with BSE Limited under the SEBI (LODR) Regulations.

Term	Description
Registered Office	The registered office of our Company is situated at 55, 2nd Floor, Lane 2, Westend Marg, Saidullajab, Near Saket Metro Station, New Delhi, Delhi, 110030.
Registrar of Companies	Registrar of Companies, New Delhi situated at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019.
Risk Management Committee	The committee of the Board of Directors constituted as our Company's Risk Management Committee in accordance with the provisions of Regulation 21 of the SEBI (LODR) Regulations.
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations.
BSE Limited	The BSE Limited where the Equity Shares of the Company are presently listed.
MSEI	The Metropolitan Stock Exchange of India Limited where the Equity Shares of the Company are presently listed.

## 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 Shares	The Rights Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot/ Allotment/ Allotted	Unless the context requires, the allotment of Rights Shares pursuant to this Issue.
Allotment Account	The account opened with the Banker to the Issue, into which the Application amounts by ASBA 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 Account Bank	The bank which is a clearing member and registered with SEBI as bankers to an issue and with whom the Allotment Account will be opened, in this case being, [●].
Allotment Advice	Note, advice, or intimation of Allotment sent to each successful Investors who have been or is to be Allotted the Rights Shares pursuant to this Issue after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allotment Date	The date on which the Allotment is made pursuant to this Issue.
Allottees	Person(s) who are Allotted Rights Shares pursuant to the Allotment.
Applicant(s)/ Investor(s)	Eligible Shareholder(s) and/or Renounee(s) who make are entitled to make an application for the Rights Shares pursuant to this Issue in terms of the Letter of Offer.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) 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 Rights Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form through the website of the SCSBs (if made available by such SCSBs) under the ASBA process is used by an Investor to make an application for the Allotment of Rights Shares in the Issue.
Application Money	The aggregate amount payable at the time of Application ₹ [●].00/- (Rupees [●] Only) in respect of the Rights Shares applied for in this Issue at the Issue Price.
Application Supported by Blocked Amount/ ASBA	Application (whether physical or electronic) used by ASBA Investors to make an application authorizing the SCSB to block the Application Money in the ASBA Account maintained with such SCSB.
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Money of the ASBA Investor.
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 a rights issue only through the 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	Axis Bank Limited
Bankers to the Issue Agreement	Agreement dated [●] entered by and amongst our Company, the Registrar, and the Bankers to the Issue.
Basis of Allotment	The basis on which the Rights Shares will be Allotted to successful Applicants in the Issue in consultation with the Designated Stock Exchange, and which is described in the section titled ' <i>Terms of the Issue</i> ' beginning on page 98 of this Draft Letter of Offer.
Call Monies	The balance amount payable by the holders of the Rights Shares pursuant to the Payment Schedule, is ₹ [●] (Rupees [●] Only) per Rights Share after payment of the Application Money.
Call Record Date	A record date fixed by our Company to determine the names of the holders of Rights Shares for the purpose of issuing the Call.
Call	The notice issued by our Company to the holders of the Rights Shares as on the Call Record Date for making a payment of the Call Monies.
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?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> .

Term	Description
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 Application Form or plain paper application, 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=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
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	This Draft Letter of Offer dated Monday, December 16, 2024, filed with the BSE Limited, in accordance with the SEBI (ICDR) Regulations, for their observations and in-principle approvals.
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e. [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders.
Issue/ Rights Issue	Rights Issue of up to [●] party-paid up Rights Shares of our Company for cash at a price of ₹[●] (Rupees [●] Only) per Rights Shares (including a premium of ₹[●] (Rupees [●] Only) aggregating to an amount of up to ₹[●] (Rupees [●] Only) (assuming full subscription and receipt of all Call Monies with respect to Rights Shares) on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] ([●]) Rights Shares for every [●] ([●]) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [●]. On Application, Investors will have to pay ₹[●] (Rupees [●] Only) per Rights Share which constitutes [●] ([●] Percent) of the Issue Price, and the balance ₹[●] (Rupees [●] Only) per Rights Share which constitutes [●] ([●] Percent) of the Issue Price, will have to be paid, on one additional call as may be decided by the Board/ Rights Issue Committee of the Board from time to time.
Issue Opening Date	[●].
Issue Closing Date	[●].
Issue Materials	The Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter, Application Forms, including any notices, corrigendum thereto.
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	₹[●]/- (Rupees [●]) per Rights Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹[●]/- (Rupees [●]) per Rights Equity Share, including a premium of ₹[●]/- (Rupees [●]) per Rights Share). On Application, Investors will have to pay ₹[●] (Rupees [●] Only) per Rights Share which constitutes [●] ([●] Percent) of the Issue Price, and the balance ₹[●] (Rupees [●] Only) per Rights Share which constitutes [●] ([●] Percent) of the Issue Price, will have to be paid, on one additional call as may be decided by the Board/ Rights Issue Committee of the Board from time to time.
Issue Shares	Up to [●] Rights Shares.
Issue Proceeds	The proceeds of the Issue that are available to our Company.
Issue Size	Amount aggregating up to ₹49,90,00,000/- (Rupees Forty-Nine Crores Ninety Lakhs Only) (Assuming full subscription and receipt of all Call Monies with respect to Rights Shares).
Letter of Offer/ LoF	The Final Letter of Offer is to be filed with BSE Limited after incorporating the observations received the BSE Limited on the Draft Letter of Offer.
Listing Agreements	Listing agreements entered between our Company and BSE Limited in terms of the SEBI (LODR) Regulations.
Multiple Application Forms	More than one Application Form submitted by an Eligible Equity Shareholder/Renouncee in respect of the same Rights Entitlement available in their demat account. However supplementary applications in relation to further Rights Shares with/without using additional Rights Entitlements will not be treated as multiple applications.
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled ' <b>Objects of the Issue</b> ' beginning on page 38 of this Draft Letter of Offer;
Non-ASBA Investor/ Non-ASBA Applicant	Investors are other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees.
Non-Institutional Investors/ NIIs	An Investor is other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI (ICDR) Regulations.
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum, advertisements, thereto, Rights Entitlement Letter.
Off Market Renunciation	The renunciation of Rights Entitlements is undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars 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 BSE Limited through a registered stockbroker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the BSE Limited, from time to time, and other applicable laws, on or before [●].
Payment Schedule	Payment schedule under which [●] ([●] Percent) of the Issue Price is payable on Application, i.e., ₹[●] (Rupees [●] Only) per Rights Share, and the balance unpaid capital constituting [●] ([●] Percent) of the Issue Price i.e., ₹[●] (Rupees [●] Only) will have to be paid, on one additional call as may be decided by the Board/ Committee of the Board from time to time.
Physical Equity Shareholders	Eligible Equity Shareholders holding Equity Shares in physical form shall be termed as Physical Equity Shareholders.

Term	Description
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations.
Record Date	Designated date to determine the Eligible Equity Shareholders eligible to apply for Rights Shares, being [●].
Refund Bank	The Banker to the Issue with the Refund Account will be opened, in this case being [●].
Registrar Agreement	Agreement dated Monday, August 07, 2023, entered between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Registrar to the Company	Skyline Financial Services Private Limited
Registrar to the Issue	[●]
Renounees	Any persons who have acquired Rights Entitlements from the Eligible Equity Shareholders through renunciation.
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. [●]. Such period shall close on [●] 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 Renounee on or prior to the Issue Closing Date i.e. [●];
Retail Individual Investors/ RIIs	An Individual Investor (including an HUF applying through Karta) who has applied for Rights Shares and whose Application Money is not more than ₹2,00,000/- (Rupees Two Lakhs Only) in the Issue as defined under Regulation 2(1)(vv) of the SEBI (ICDR) Regulations.
Rights Entitlement Letter	This letter includes details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are accessible on the website of our Company.
Rights Entitlement (s)/ RES	The number of Rights Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being [●] Rights Shares for every [●] Equity Shares held by an Eligible Shareholder. The Rights Entitlements with a separate ISIN '[●]' will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, 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;
Rights Shares	Equity Shares of our Company to be Allotted pursuant to this Issue;
SEBI Rights Issue Circulars	The SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020'.
Self-Certified Syndicate Banks/ SCSB(s)	Self-certified syndicate banks registered with SEBI, which act as a Banker to the Issue and which offer the facility of ASBA. A list of all SCSBs is available 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>
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter or Fraudulent Borrower	A Company or person, as the case may be, categorized as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of SEBI (ICDR) Regulations and in accordance with the guidelines on wilful defaulters 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, a working day means all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the period between the Issue Closing Date and the listing of Equity Shares on the BSE Limited, working day means all trading days of the BSE Limited, excluding Sundays and bank holidays, as per circulars issued by SEBI.

## ABBREVIATIONS

Term	Description
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.
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, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
Consolidated FDI Policy	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.



Term	Description
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 Participant) Regulations, 2018.
Depositories Act	The Depositories Act, 1996, including subsequent amendments thereto.
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.
EPC Services	Engineering, Procurement, and Construction services.
EPS	Earning per Equity Share.
FCNR Account	Foreign Currency Non-Resident Account.
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/ Financial Year	Period of 12 months ended 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.
IST	Indian Standard Time.
IT	Information Technology.
MCA	The Ministry of Corporate Affairs, Government of India.
Mn / mn	Million.
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.
NCT	National Capital Territory, Delhi.
NCLT	National Company Law Tribunal.
NCLAT	National Company Law Appellate Tribunal.
NEFT	National Electronic Fund Transfer.
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account, and debit or credit balance of the profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure, and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, writeback of depreciation and amalgamation.
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.

Term	Description
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	Account 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.
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 OVERSEAS INVESTORS

The distribution of the Issue Material and the Issue of Rights Entitlements or the Rights Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession the Issue Material 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 Shareholders as on Record Date and will dispatch the Issue Materials through email and courier to such Eligible Shareholders who have a registered address in India or have provided an Indian address to our Company. The Draft Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company or who are in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Those overseas shareholders, who have not updated 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 the Issue Materials. Investors can also access the Issue Material from the websites of the Registrar, our Company, and on BSE Limited.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer has been filed with BSE Limited for observations. Accordingly, the Rights Entitlements or the Rights 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 the 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 such circumstances, Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the Issue of Rights Entitlements or the Rights Shares, distribute or send the same in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If Issue Materials are received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlements, or the Rights Shares referred to in the Issue Materials.

Any person who makes an application to acquire the Rights Entitlement or the Rights Shares offered in this Issue will be deemed to have declared, represented, warranted, and agreed that she/he is authorized to acquire the Rights Entitlement or the Rights Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction. Our Company, the Registrar or any other person acting on behalf of us reserve the right to treat any Application Form as invalid where we believe that the Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to Allot or issue any Rights Entitlement or Rights Shares in respect of any such Application Form.

Neither the delivery of Issue Materials 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.

**The contents of the Issue Materials 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 of Right Entitlements or Rights Shares. 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 the Rights Entitlement or the Rights Shares. In addition, our Company is not making any representation to any offeree or purchaser of the Rights Entitlement or the Rights Shares regarding the legality of an investment in the Rights Entitlement or the Rights Shares by such offeree or purchaser under any applicable laws or regulations.**

### NO OFFER IN THE UNITED STATES

The Right Entitlements or the Rights Shares of our Company have not been and will not be registered under the Securities Act, or any U.S. state securities laws and may not be offered, sold, resold, or otherwise transferred within the United States of America or the territories or possessions thereof, except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Issue Materials are being offered in India, but not in the United States. The offering to which the Issue Materials relate to is not and are under no circumstances to be construed as, an offering of any Right Entitlement or the Rights Shares for sale in the United States or as a solicitation therein of an offer to buy any of the said Right Entitlement or the Rights Shares. Accordingly, the Issue Materials should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letters 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 Right Entitlements or the Rights Shares and wishing to hold such Rights Shares in registered form must provide an address for registration of the Equity Shares in India. Any person who acquires Right Entitlements or Rights Shares will be deemed to have declared, represented, warranted, and agreed, that:

1. It is not and that at the time of subscribing for the Right Entitlements or the Rights Shares, it will not be, in the United States when the buy order is made,
2. It does not have a registered address (and is not otherwise located) in the United States, and
3. It is authorized to acquire the Right Entitlements or the Rights Shares in compliance with all applicable laws and regulations.
4. Our Company reserves the right to treat as invalid any Application Form which:

5. Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations;
6. Appears to our Company or its agents to have been executed in or dispatched from the United States;
7. Where a registered Indian address is not provided; or
8. Where our Company believes that the 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 Entitlement or the Right in respect of any such Application Form.

**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.**

## PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

### CERTAIN CONVENTIONS

In this Draft 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 Aayush Wellness Limited or, as the context requires, and references to 'you' are to the Equity Shareholders and/ or prospective Investors in the Equity Shares.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time.

Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

### FINANCIAL DATA

Unless stated otherwise, the financial data in this Draft Letter of Offer is derived from the Financial Statements, which have been prepared in accordance with Ind As, Accounting Standards, Companies Act, 2013. For further details, please refer to the section titled '*Financial Information*' beginning on page 60 of this Draft Letter of Offer.

In this Draft 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 OF PRESENTATION

All references in this Draft Letter of Offer to 'Rupees', 'Rs.', '₹', 'Indian Rupees' and 'INR' are to Rupees, the official currency of the Republic of India.

All references to 'U.S. \$', 'U.S. Dollar', 'USD' or '\$' are to United States Dollars, the official currency of the United States of America.

#### *Please Note:*

One million is equal to 1,000,000/10 lakhs;

One billion is equal to 1,000 million/100 crores;

One lakh is equal to 100 thousand;

One crore is equal to 10 million/100 lakhs;

## FORWARD LOOKING STATEMENTS

Our Company has included statements in this Information Memorandum, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "project", "shall", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will continue", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company objectives, plans or goals, expected financial condition and results of operations, business plans and prospects are also forward-looking statements.

These forward-looking statements include statements as to business strategy, revenue and profitability, planned projects and other matters discussed in this Draft Letter of Offer regarding matters that are not historical fact. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Uncertainty of the upcoming or continuing impact of the COVID -19 or any new variant of the pandemic on our business and operations;
- General economic and business conditions in India and other countries;
- Changes in laws and regulations relating to the Sectors in which we operate;
- Fluctuation in operating cost;
- Ability to retain the customers is heavily dependent upon various factors including our reputation and our ability to maintain a high level of service quality including our satisfactory performance for the customers;
- We operate in a significantly fragmented and competitive market in each of our business segments;
- Regulatory changes relating to the finance and capital market sectors in India and our ability to respond to them;
- Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our business activities or investments;
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Changes in the value of the Rupee and other currencies;
- Our ability to manage risks that arise from these factors;
- Any adverse outcome in the legal proceedings in which we/our group companies are/may get involved;
- Any factor beyond our control;
- The occurrence of natural disasters or calamities; and
- Change in political and social condition in India.

For a further discussion of factors that could cause the actual results to differ, please refer to the section titled '*Risk Factors*' beginning on page 16 of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could materially be different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. Our Company or advisors does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with BSE Limited' requirements, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the BSE Limited.

## SECTION II – SUMMARY OF THE DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft 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 Draft Letter of Offer, including the sections titled '**Risk Factors**', '**Objects of the Issue**', '**Business Overview**' and '**Outstanding Litigations, Defaults and Material Developments**' beginning on pages 16, 38, 45, and 88 of this Draft Letter of Offer, respectively.

### SUMMARY OF OUR BUSINESS

Established in 1989 as Aayush Food and Herbs Ltd. and proudly listed on the Bombay Stock Exchange (BSE), Aayush Wellness Ltd. Has emerged as a leading force in the health and wellness industry. Our journey began with a vision to provide superior health and food

At Aayush Wellness, our mission is to elevate health standards across India by providing innovative, natural healthcare solutions that empower individuals to prioritize their wellbeing. We aim to revolutionize the healthcare landscape by leveraging Ayurveda and modern scientific advancements. Our dedication drives us to create a healthier, happier, and more prosperous India, making a lasting positive impact on our fellow citizens.

We offer herbal alternatives that serve as beacons of hope for those struggling with harmful addictions. Our products are lifelines to a healthier, tobacco-free future.

### OBJECTS OF THE ISSUE

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

Particulars	Amount (₹ in Lakhs)
Gross Proceeds from the Issue	Up to 4,990.00
Less: Estimated Issue related Expenses	190.00
<b>Net Proceeds from the Issue*</b>	<b>4,800.00</b>

\*Assuming full subscription and receipt of all Call Monies with respect to Rights Shares

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

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	Loan to Wholly Owned Subsidiary	1,800.00
2.	Working Capital	1,800.00
3.	General Corporate Purpose	1,200.00
	<b>Total Net Proceeds</b>	<b>4,800.00</b>

Kindly note, in an event of any under-utilization of funds from the aforesaid stated objects of the Issue, the Company shall have the liberty to utilize the said balance fund for General Corporate Purpose, which shall not in any event exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds (inclusive of the aforementioned fund requirement for General Corporate Purpose);

For further details, please refer to the Section titled '**Objects of the Issue**' beginning on page 38 of this Draft Letter of Offer.

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

The Promoter of our Company do not hold any shares as on the date of the Right Issue and hence will not subscribe to any Shares in the Right Issue.

### FINANCIAL INFORMATION

The following table sets forth the summary financial information derived from the Unaudited Financial Statements for the half Yearly ended on September 30, 2024 and Audited Financial Statements, prepared in accordance with Ind AS and the Companies Act, 2013, for the Financial Years ending March 31, 2024, and March 31, 2023 and March 31, 2022.

(₹ in Lakhs)

Particulars	Audited Financial Statements for the Financial Year ending			
	September 2024	March 31, 2024	March 31, 2023	March 31, 2022
Equity Share Capital	324.50	324.50	324.50	324.50
Net Worth	609.31	491.53	440.67	474.99
Total Income	2,538.40	83.92	864.85	864.85
Profit / (loss) after tax	117.77	57.18	(34.43)	(207.72)
EPS (in ₹)	0.363	1.76	(1.061)	0.000
Net asset value per Equity Share (in ₹)	1.88	1.51	1.36	1.46
Total borrowings	1.68	-	-	494.90

### AUDITOR QUALIFICATIONS

For details on auditor qualifications, please refer to section titled '**Financial Information**' beginning on page 60 of this Draft Letter of Offer.

### OUTSTANDING LITIGATIONS

Nature of cases	Number of cases	Amount involved (Rs. in lakhs)
<b>Litigations involving our Company</b>		
Litigation Involving Actions by Statutory/Regulatory Authorities	-	0.00
Litigation involving Tax Liabilities	-	-
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	-	-
Proceedings involving Material Violations of Statutory Regulations by our Company	-	-
Matters involving economic offences where proceedings have been initiated against our Company	-	-
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	-	-
<b>Litigation involving our Directors, Promoter and Promoter Group</b>		
Litigation Involving Actions by Statutory/Regulatory Authorities	-	-
<b>Litigation involving our Group Companies</b>		
	-	-

\*Penalty levied by MSEI for violation of Reg 46 of SEBI(LODR) for website updation of Rs.16 lakhs. The Company has filed for waiver application.

For further details, please refer to section titled '**Outstanding Litigations, Defaults and Material Developments**' beginning on Page 88 of this Draft 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 16 of this Draft Letter of Offer.

### CONTINGENT LIABILITIES

For details of the contingent liabilities, as reported in the Financial Statements, please refer to the section titled '**Financial Information**' on page 60 and beginning '**Outstanding Litigations, Defaults and Material Developments**' on page 88 of this Draft 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 Information**' beginning on page 60 of this Draft Letter of Offer.

### FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoter, Directors and their relatives have financed the purchase, by any other person of Equity Shares other than in the normal course of the business of the financing entity during the period of 6 (Six) months immediately preceding the date of this Draft 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 Draft Letter of Offer.



## SECTION III – RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Draft Letter of Offer, including in ‘**Business Overview**’, ‘**Industry Overview**’, and ‘**Financial Information**’ beginning on pages 49, 45, and 60 respectively in this Draft Letter of Offer, before making an investment in our Equity Shares.

The risks and uncertainties described below are not the only risks that we currently face; additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations, and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition, and results of operations could suffer, the trading price and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. To the extent the COVID-19 pandemic has adversely affected and may affect our business and financial results, it may also have the effect of increasing many of the other risks described in this section, such as those relating to non-payment or default by borrowers. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial, and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not able to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to ‘we’, ‘us’, ‘our’ refers to our Company.

### **Materiality:**

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

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

The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another. In this Draft Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

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

### **INTERNAL RISK FACTORS**

#### **1. Outstanding litigations filed by and against our Company, our Directors, Promoter and Promoter Group.**

The Outstanding Demand showing against the promoter/Directors under Income Tax portal i.e., [www.incometax.gov.in](http://www.incometax.gov.in) are as follows:

Name of the Promoter/Directors	Number of cases	Assessment Year	Amount (In Lakhs)
	NIL		

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition, and results of operations. For further details, kindly refer to the section titled ‘**Outstanding Litigations, Defaults and Material Developments**’ beginning on page 88 of this Draft Letter of Offer.

#### **2. The registered office and other properties of our Company are not owned by us. If we require vacating the same due to any reason whatsoever, it may adversely affect our business operations.**

We operate from our registered office situated at 55, 2nd Floor, Lane 2, Westend Marg, Saidullajab, Near Saket Metro Station, New Delhi, Delhi, 110030 which has been taken on lease for using the said premises as our registered office by Current lease deed dated July 13, 2023 for a period from July 13, 2023 to May 11, 2025. In case of termination of Lease by any reason, or if they seek to renew such agreement on terms and conditions un-favorable to us, or if they terminate the agreement, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business, financial condition, results of operations and cash flows. Also, we will be required to locate new premises for our office. We may not be able to find the same in a timely manner or at all. Further, even if we are able to locate a new premise, they may be on terms not favorable to us or not within the parameters of our requirements. Our inability to identify the new premises may adversely affect the operations and financial conditions of our Company.

**3. Our Logos are not yet registered. If we fail to obtain trademark registration of our logo, our brandbuilding efforts may be hampered which might lead to adverse effect on our business.**

Our Company has applied for various trademarks as mentioned in the Chapter Titled Government & Other Approvalson page 90 of this Draft Letter of Offer. We cannot assure that these applications will be approved. These trademarks, if not registered in the name of the Company, there is no guarantee that the trademarks will not be used by any third party or any competitor. This may affect our brand image in market adversely.

In the absence of such registrations, competitors and other companies may challenge the validity or scope of our intellectual property right over these brands or our product logo. As a result, we may be required to invest significant resources in developing new brands or names, which could materially and adversely affect our business, financial condition, results of operations and future prospects.

Therefore, we do not enjoy the statutory protection on our trademarks/logos as accorded to a registered trademarks and are subject to various risks arising out of the same, including but not limited to passing off, infringement by a third party. Thereby, our ability to use those logos may be limited and impaired. There can be no assurance that we will be able to register our trademarks or prevent the infringement or passing off from the third party, which can result in loss of business, loss in goodwill and reputation and adversely affect our business, financial condition, results of operations and prospects. Also, subsequent to the registration of our trademark and case of failure to renew our intellectual property on time, it may also adversely affect our business operations.

**4. Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.**

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

(Rs. In Lakhs)

Particulars	Unaudited Financials for Half Year ended on Sep 30, 2024	For the Financial Year ended March 31		
		2024	2023	2022
Cash Flow from Operating Activities	143.29	(56.78)	461.80	(269.10)
Cash Flow from Investing Activities	(1.17)	-	17.86	44.07
Cash Flow from Financing Activities	-	-	(494.90)	275.16

For further details, see “Financial Information” and “Management Discussion and Analysis of Financial Condition and Results of operations” on pages 60 and 81, respectively. We cannot assure you that our net cash flows will be positive in the future.

**5. Changes in customer preferences could affect our business, financial condition, results of operations and prospects.**

Any change in the customer preference can render our old stock obsolete, as changes in customer preference are generally beyond our control. Some or all of our products may become less attractive in light of changing customer preferences or better products by competitors and we may be unable to adapt to such changes in a timely manner. However, we constantly focus on research and development and to develop new products to cater the customer needs, any change in customer preferences that decreases demand could affect our business, financial condition, results of operations and prospects.

**6. Our inability to maintain an optimal level of Stock for our business may impact our operations adversely.**

Our daily operations largely depend on consistent Stock control which is generally dependent on our projected sales in different months of the year. It also largely depends on the forecast and trends for the forthcoming season. An optimal level of Stock is important to our business as it allows us to respond to customer demand effectively and to maintain a range of stock. If we over-stock Stock, our required working capital will increase and if we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual offtake by customers can impact us adversely.

**7. Our Trading activities are exposed to fluctuations in the prices of traded goods.**

Our Company is dependent on third party suppliers for procuring the traded goods. We are exposed to fluctuations in the prices of these traded goods as well as its unavailability, particularly as we typically do not enter into any long-term supply agreements with our suppliers and our major requirement is met in the spot market. We may be unable to control the factors affecting the price at which we procure the materials. We also face the risks associated with compensating for or passing on such increase in our cost of trades on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of traded goods may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations. Though we enjoy favorable terms from the suppliers both in prices as well as in supplies, our inability to obtain high quality materials in a timely and cost-effective manner would cause delays in our production/trade cycles and delivery schedules, which may result in the loss of our customers and revenues.

**8. Our operational results substantially rely on mass public consumers.**

We sell our products to the general public consumers online as well as through our distribution network, which inter alia includes chain retailers, individual retailers and distributors. The general acceptance by consumers of the brands and products developed and marketed by us is of vital importance to our success and it hinges on a number of factors such as brand image, product quality and customer loyalty. If we fail to generate

demand for our existing or new products or fail to maintain consumer loyalty, our business, operational and financial results may be adversely affected.

**9. *The availability of counterfeit drugs, such as drugs passed off by others as our products, could adversely affect our goodwill and results of operations.***

Entities in India and abroad could pass off their own products as ours, including counterfeit or pirated products. For example, certain entities could imitate our brand name, packaging materials or attempt to create look-alike products. As a result, our market share could be reduced due to replacement of demand for our products and adversely affect our goodwill. The proliferation of counterfeit and pirated products, and the time and attention lost to defending claims and complaints about counterfeit products could have an adverse effect on our goodwill and our business, prospects, results of operations and financial condition could suffer.

**10. *We have entered into certain related-party transactions, and we may continue to do so in the future.***

Our Company has entered into various transactions with our Promoter, Directors and Key Managerial Personnel. These transactions, inter-alia includes remuneration. Our Company has entered into such transactions due to easy proximity and quick execution. While we believe that all such transactions have been conducted on an arm's length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects

**11. *Some of Our products may cause unexpected or undesirable side effects unknown to us which may result in costly product returns or recalls.***

Our own-branded products contain a number of ingredients, some of which or the combination of which may cause side effects that are unknown to us. In particular, all our own-branded products are produced by external manufacturers, who may adulterate harmful chemicals or substances with other raw materials in production of our products. Though we have measures in place to control the quality of our raw materials and the finished products, we cannot assure you that we will be able to detect defective raw materials or finished products in every circumstance. If any side effects occur or if our products are perceived to have such side effects, we may be affected financially as a result of consequential product returns or recalls, product liability claims, which in turn could lead to severe adverse publicity, and investigation by relevant government authorities and prosecution, monetary losses or even lawsuits.

We cannot assure you that product returns or recalls would not happen to our own-branded products in the future. Substantial amount of product returns or recalls could materially and adversely affect our business, financial condition and results of operations.

operations.

**12. *Our Company does not have any long-term contracts with our clients and suppliers, which may adversely affect our results of operations.***

We are, to a major extent, dependent on external suppliers for our goods requirements and we do not have any long-term supply agreements or commitments in relation to the same. There can be no assurance that there will not be a significant disruption in the supply of goods from current sources or in the event of a disruption, that we would be able to locate alternative suppliers of goods of comparable quality on terms acceptable to us, or at all. Identifying a suitable supplier involves a process that requires us to become satisfied with their quality control, responsiveness and service, financial stability and labour and other ethical practices. In case of non-availability of goods on favorable terms, we may have to procure the same at the terms and conditions prevalent at that point. This may result in reducing our revenues by a considerable amount due to shortage of goods or due to inability to procure the same. Further, unfavorable terms of goods may also force us to reduce the scale of our operations resulting in a down-sizing of our overall business.

We may have to put on hold any expansion plans and our future growth will be severely stunted. Any delay, interruption or increased cost in the supply arising from a lack of long-term contracts could have an adverse effect on our ability to meet customer demand for our products and result in lower revenue from operations both in the short and long term. Also, Our Company has had long standing business relationships with certain customers and has been supplying our products to such customers for long time. However, we have not entered into any long-term contracts with these customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice and which could materially and adversely impact our business.

**13. *Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.***

Our Company is engaged in business of trading of, which attracts tax liability such as Goods and Service tax, Income tax, and professional tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund. However, we have deposited the required returns under various applicable Acts but any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of the Company.

**14. *There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.***

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above `10,000.00 Lacs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

15. ***Our business largely depends on the performance of our Sales Team. Any non-performance by these s may adversely affect our business operations, profitability and cash flows.***

Our business largely depends on the performance of our Sales Team , who may be responsible for selling our products at domestic level. We can give no assurance that the performance of such distributors will meet our required specifications or performance parameters.

Additionally, we do not have any non-compete agreement with such distributors and in the event that such distributors enter into agreements with

16. ***Our Company's failure to maintain the quality standards of the products could adversely impact our business, results of operations and financial condition.***

The demand for our products depends on the quality that we market. Any failure of ours/manufacturer to maintain the quality standards may affect the demand of our product in the market which may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our products will always be able to satisfy our customer's quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

17. ***The industry segments in which we operate being fragmented, we face competition from other players, which may affect our business operations and financial conditions.***

The industry in which we operate is highly competitive. Factors affecting our competitive success include, amongst other things, price, demand for our products, availability of raw materials, brand recognition and reliability. Our competitors vary in size, and may have greater financial, production, marketing, personnel and other resources than us and certain of our competitors have a longer history of established businesses and reputations in the Indian market as compared with us. Competitive conditions in some of our segments have caused us to incur lower net selling prices and reduced gross margins and net earnings. These conditions may continue indefinitely. Changes in the identity, ownership structure, and strategic goals of our competitors and the emergence of new competitors in our target markets may impact our financial performance. New competitors may include foreign-based companies and domestic producers who could enter our markets.

Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

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

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

19. ***We are dependent on a number of key managerial personnel, including our senior management, and the loss of or our inability to attract or retain such persons with specialized technical know-how could adversely affect our business, results of operations, cash flows and financial condition.***

Our performance depends largely on the efforts and abilities of our senior management and other key managerial personnel, including our present officers who have specialized technical know-how. The inputs and experience of our senior management and key managerial personnel are valuable for the development of our business and operations strategy. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Our Company does not maintain any director's and officer's insurance policy or any key man insurance policy. The loss of the services of such persons could have an adverse effect on our business, results of operations, cashflows and financial condition.

20. ***Changes in technology may render current technologies obsolete or require us to make substantial capital investments.***

Since we are dependent on various other manufactures for our products, Modernization and technology upgradation is essential to reduce costs and increase the output. Technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that they have installed upgraded technology and that the chances of a technological innovation are not very high in our sector. They may be required to implement new technology or upgrade the machineries and other equipment's employed by them. Further, the costs in upgrading their technology and modernizing the plant and machineries are significant which could substantially affect our finances and operations.

21. ***We require a number of approvals, licenses, registration and permits for our business and failure to obtain or renew them in a timely manner may adversely affect our operations.***

We may require several statutory and regulatory permits, licenses and an approval in the ordinary course of our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the timeframe anticipated by us or at all. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the

cancellation, suspension, delay in issuance or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business.

22. ***Our Company is dependent on third party transportation for the delivery of finished goods and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.***

Our Company uses third party transportation for delivery of our finished goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have adverse effect on our business. These transportation facilities may not be adequate to support our existing and future operations. In addition, such goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operations negatively. An increase in the freight costs or unavailability of freight for transportation of our finished goods may have an adverse effect on our business and results of operations. Further, disruptions of transportation services due to weather- related problems, strikes, lockouts, inadequacies in the road infrastructure and port facilities. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

23. ***We have high working capital requirements. If we experience insufficient cash flows to enable us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.***

Our business requires a substantial amount of working capital for our business operations. We will require additional working capital facilities in the future to satisfy our working capital need which is proposed to be met through the Rights Issue proceeds. In case of our inability to obtain the requisite additional working capital finance, our internal accruals/cash flows would be adversely affected to that extent, and consequently affect our operations, revenue and profitability.

24. ***We have not made any dividend payments in the past and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.***

In the past, we have not made dividend payments to the shareholders of our Company. The amount of our future dividend payments, if any, will depend upon various factors including our future earnings, financial condition, cash flows and requirement to fund operations and expansion of the business. There can be no assurance that we will be able to declare dividends. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors.

25. ***Delay in raising funds from the Rights Issue could adversely impact the implementation schedule.***

The proposed objects, as detailed in the section titled "Objects of the Issue" are to be largely funded from the proceeds of the issue. We have not identified any alternatives of our funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore cannot assure that we would be able to execute the expansion process within the given time frame, or within the costs as originally estimated by us. Anytime overrun or cost overrun may adversely affect our growth plans and profitability.

**26. *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 38. 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.

**27. *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 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 the 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 “Objects of the Issue” on page 38 of this Draft Letter of Offer.

**28. *Our inability to manage growth could disrupt our business and reduce profitability.***

A principal component of our strategy is to continuously grow by expanding the size and geographical reach of our businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

**29. *Some of the information disclosed in this Draft Letter of Offer is based on information from industry sources and publications which may be based on projections, forecasts and assumptions that may prove to be incorrect. Investors should not place undue reliance on or base their investment decision on this information.***

The information disclosed in the “Industry Overview” section of this Draft Letter of Offer on page 45 is based on information from publicly available platforms, Government and research information, publications and websites and has not been verified by us independently and we do not make any representation as to the accuracy of the information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

**30. *Certain data mentioned in this Draft Letter of Offer has not been independently verified.***

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

## **ISSUE SPECIFIC FACTORS**

**31. *Our Company will not distribute the Offer Documents to certain overseas shareholders who have not provided an address in India for service of documents.***

Our Company will dispatch the Offer Documents to such shareholders who have provided an address in India for the service of documents or who are in jurisdictions where the offer and sale of the Rights Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. The Offer Documents will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder,

with respect to the distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

**32. *There is no public market for the Rights Shares or Equity Shares outside India.***

After this Issue, there will continue to be no public market for our Equity Shares in the United States or any country other than India. In addition, the holders of the partly paid-up Rights Shares will not be able to trade in these Equity Shares till they are credited to the holders' account as fully paid-up, and thereafter there will also be no public market for the Rights Shares outside of India. We cannot assure you that the face value of the Rights Shares will correspond to the price at which the Rights Shares will trade subsequent to this Issue. This may also affect the liquidity of our Rights Shares and Equity Shares and restrict your ability to sell them.

**33. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for dilution of your percentage ownership of the equity share capital of our Company that may be caused because of the Issue. Renounces may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounces prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation (the last day for which is [●] day, [●], 2024), such Renounces will not be able to apply in this Issue with respect to such Rights Entitlements.

**34. *SEBI has recently, by way of Rights Issue Circulars streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see '*Terms of the Issue*' on page 98 of this Draft Letter of Offer.

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 Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely being [●]) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to:

Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or

- a. Equity Shares held in the account of IEPF authority; or
  - b. The demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or
  - c. Equity Shares held by Eligible Equity Shareholders holding Equity Shares in the physical form on the Record Date the details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
  - d. Credit of the Rights Entitlements returned/reversed/failed; or
  - e. The ownership of the Equity Shares currently under dispute, including any court proceedings.
- 35. *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 Promoter 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 an 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 Promoter 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 Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

**36. *Investors shall not have the option to receive Rights Shares in physical form.***

In accordance with the provisions of Regulation 77A of the SEBI (ICDR) Regulations read with SEBI Rights Issue Circular, the credit of Rights Entitlement and Allotment of Rights Shares shall be made in dematerialised form only. Investors will not have the option of getting the allotment of Equity Shares in physical form.

**37. *The entitlement of Rights Shares to be allotted to investors applying for Allotment in physical form, will be kept in abeyance.***

In accordance with the provisions of SEBI (ICDR) Regulations, the option to receive the Rights Shares in physical form will not be available after a period of 6 (Six) months from the effective date of the SEBI (ICDR) Regulations, being, May 10, 2019. Since the Rights Shares offered pursuant to this Issue will be Allotted only after May 10, 2019, the entitlement of Rights Shares to be Allotted to the Applicants who have applied for Allotment of the Rights 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. Pursuant to a press release dated December 03, 2018, issued by the SEBI, with effect from April 01, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares);

**38. *The Rights Entitlement of Physical Equity Shareholders may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with the SEBI Circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020', the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Equity Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Equity Shareholders are requested to furnish the details of their demat account to the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least 1 (One) day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 03, 2018, issued by the SEBI, with effect from April 01, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares). For further details, please refer to the section titled '*Terms of the Issue*' on page 98 of this Draft Letter of Offer.

**39. *Non-receipt of complete Call Money(ies) may have an impact of a consequential shortfall in Net Proceeds.***

The Calls shall be deemed to have been made at the time when the resolution authorizing such calls is passed at the meeting of our Board of Directors. The Calls may be revoked or postponed at the discretion of our Board of Directors, from time to time. Our Board of Directors may, from time to time at its discretion, extend the time fixed for the payments of the Calls. Our Company, at its sole discretion, may send reminders for the calls as it deems fit, and if it does not receive the Call Money(ies) as per the timelines stipulated, it would forfeit the Application Money. Non-receipt of complete Call Money(ies) and a consequential forfeiture of the Application Money may lead to a shortfall in the Net Proceeds, which may have to be met out of internal accruals and may impact the business and capital expenditure plans. For further details, please refer to the section titled '*Objects of the Issue*' on page 38 of this Draft Letter of Offer.

**40. *Our ability to pay dividends in the future will depend on our future earnings, cash flows, working capital requirements, capital expenditures and financial condition. Investors of Rights Shares are only entitled to dividend in proportion to the amount paid up and the voting rights (exercisable on a poll by investors) shall also be proportional to such investor's share of the paid-up Equity Share capital of our Company.***

The amount of our future dividend payments, if any, will depend on various factors such as our future earnings, cash flows, financial condition, working capital requirements, capital expenditures and in accordance with applicable laws. We may decide to retain all our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

Further, with respect to the present Issue, investors are only entitled to dividend in proportion to the amount paid-up and the voting rights (exercisable on a poll by investors) shall also be proportional to such investor's share of the paid-up Equity Share capital of our Company.

**41. *You may be subject to Indian taxes arising out of capital gains on the sale of the Rights Shares and Rights Entitlement.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares



42. ***You may not receive the Equity Shares that you subscribe in the Issue until 15 (Fifteen) days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 (Fifteen) days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time, subjecting you to market risk for such period.

43. ***Investment in Rights Shares is exposed to certain risks. From the Call Record Date for each Call prior to the final Call, the trading of the Rights Shares would be suspended for an applicable period under the applicable law. Furthermore, the Rights Shares will not be traded with effect from the Call Record Date for the final call fixed for the determination of the Investors liable to pay Call Monies, as determined by our Board of Directors or Rights Issue Committee at its sole discretion, from time to time. The holders of the Rights Shares will not be able to trade in these securities till they are credited to the holders' account as fully paid-up. Furthermore, until the subsistence of Rights Shares, we may not be able to undertake certain forms of equity capital raising.***

The Issue Price is ₹ [●].00/- (Rupees [●] Only) per Rights Equity Share. Investors will have to pay ₹[●].00/- (Rupees [●] Only) per Rights Shares which constitutes [●].00% ([●] Percent) of the Issue Price on Application and the balance ₹[●].00/- (Rupees [●] Only) per Rights Shares which constitutes [●].00% ([●] Percent) of the Issue Price on one or more subsequent Call(s), as determined by our Company's Board of Directors at its sole discretion, from time to time. The Rights Shares offered under this Issue will be listed under a separate ISIN. An active market for trading may not develop for the Rights Shares. This may affect the liquidity of the Rights Shares and restrict your ability to sell them.

If our Company does not receive the Call Money from the Rights Shareholders (including the Promoters and members of Promoter Group of our Company) as per the timelines stipulated in the Call notice, unless extended by our Board, the defaulting Rights Shareholders (including the Promoters and members of Promoter Group of our Company) will be liable to pay interest as may be fixed by our Board unless waived or our Company may forfeit the Application Money and any Call Money received for previous Calls made, in accordance with the Companies Act, 2013 and our Company's Articles of Association. For further details, please refer to the section titled '*Terms of the Issue*' on page 98 of this Draft Letter of Offer. Rights Shareholders are only entitled to dividend in proportion to the amount paid-up and the voting rights (exercisable on a poll) by investors shall also be proportional to such investor's share of the paid-up Equity Share capital of our Company. If certain investors do not pay the full amount, we may not be able to raise the amount proposed under this Issue.

The ISIN representing partly paid-up Rights Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call in respect of the partly paid-up Rights Shares, such partly paid-up Rights Shares would be converted into fully paid-up Equity Shares and shall be listed and identified under the existing ISIN 'INE430R01023' for our fully paid-up Equity Shares. Our Company would fix a Call Record Date for the purpose of determining the list of allottees to whom the notice for the final Call would be sent. From the Call Record Date for each Call prior to the final Call, the trading of the Rights Shares would be suspended for an applicable period under the applicable law. Further, with effect from the Call Record Date, trading in the partly paid-up Equity Shares for which final Call have been made, would be suspended prior to the Call Record Date, for such period as may be applicable under the rules and regulations. Furthermore, the holders of the partly paid-up Rights Shares will not be able to trade in these shares until they are credited to the holders' account as fully paid-up Rights Shares. Similarly, for an applicable period, from the Call Record Date for each Call, the trading of the Rights Shares would be suspended under the applicable law.

Further, there is little history of trading of partly paid-up shares in India and therefore there could be less liquidity in this segment, which may cause the price of the Rights Shares to fall and may limit ability of Investors to sell the Rights Shares. There may also be a risk of the Rights Shares not forming part of the index.

Further, until the subsistence of Rights Shares, we cannot undertake further rights issues, further public offers, or bonus issues. In terms of Regulations 62 and 104 of the SEBI (ICDR) Regulations, an issuer making a rights issue or further public offer is required to ensure that all its existing partly paid-up equity shares have either been fully paid-up or have been forfeited. Additionally, a bonus issue will not be permitted under law till the subsistence of partly paid-up equity shares in terms of Regulation 293 of the SEBI (ICDR) Regulations.

44. ***Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

In terms of the SEBI (ICDR) Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political, or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Rights Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares.

The Applicants shall not have the right to withdraw their Applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

45. ***Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.***

Under the Companies Act, any Company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

46. ***There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.***

In accordance with applicable laws and regulations and the requirements of the BSE Limited, in principle and final approvals for listing and trading of the Rights Shares issued pursuant to this Issue will not be applied for or granted until after the Rights Shares have been issued and allotted. Approval for listing and trading will require all the relevant documents authorising the issuance of Rights Shares to be submitted. For further information on issue procedure, please refer to the section titled '*Terms of the Issue*' beginning on page 98 of this Draft Letter of Offer.

47. ***No market for the Right Entitlements may develop and the price of the Right Entitlements may be volatile.***

No assurance can be given that an active trading market for the Rights Entitlements will develop on the BSE Limited during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Shares will be on a separate segment compared to the Equity Shares on the floor of the BSE Limited, the trading of Rights Shares may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

We will not distribute the Issue Materials to overseas Shareholders who have not provided an address in India for service of documents. We will dispatch the Issue Materials to the shareholders who have provided an address in India for service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdiction where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

48. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Rupees on the BSE Limited. Any dividends in respect of our Equity Shares will also be paid in Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

49. ***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.

50. ***SEBI operates an index-based market-wide circuit breaker. Any operation of a circuit breaker may adversely affect a shareholder's ability to sell, or the price at which it can sell, our Equity Shares at a particular point in time.***

We are subject to an index-based market-wide circuit breaker generally imposed by SEBI on Indian BSE Limited. This may be triggered by an extremely high degree of volatility in the market activity (among other things). Due to the existence of this circuit breaker, there can be no assurance that shareholders will be able to sell our Equity Shares at their preferred price or at all at any particular point in time.

**51. *Investors in the Rights Shares may not be able to enforce a judgment of a foreign court against us or our management, except by way of a suit in India on such judgment.***

We are a limited liability company incorporated under the laws of India and majority of our directors and all executive officers are residents of India. It may be difficult for the investors to affect service of process upon us or such persons outside India or to enforce judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore, Hong Kong, and the United Arab Emirates. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908. Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us or our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within 3 (Three) years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment.

## **EXTERNAL RISK FACTORS**

**52. *Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operations and cash flows.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operations and cash flows.

**53. *Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.***

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial performance and our ability to obtain financing to fund our growth on favourable terms or at all.

**54. *The occurrence of natural calamities or man-made disasters could have a negative effect on the Indian economy and cause our business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods, drought, fires, explosions, tornadoes, pandemic disease, and man-made disasters including acts of terrorism and military actions in the past few years. The extent and severity of these natural and man-made disasters determines their effect on the Indian economy. The erratic progress of a monsoon would also adversely affect sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

**55. *A slowdown in economic growth in India could cause our business to suffer.***

We are incorporated in India, and all our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- a. Any increase in Indian interest rates or inflation.
- b. Any scarcity of credit or other financing in India.
- c. Prevailing income conditions among Indian consumers and Indian corporations.
- d. Changes in India's tax, trade, fiscal or monetary policies.
- e. Political instability, terrorism, or military conflict in India or in countries in the region or globally, including in
- f. India's various neighbouring countries.
- g. Prevailing regional or global economic conditions; and
- h. Other significant regulatory or economic developments in or affecting India.

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

**56. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.***

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe, and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition, and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance, and the trading price of the Equity Shares.

**57. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

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.

Further, 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, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI, or any other government agency can be obtained on any particular terms or at all.

**58. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects, and results of operations.***

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 (hereinafter referred to as "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. Also, any change in state law may increase difficulty in opening and operating franchise in various states. It may cause adverse effect on operations.

Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017.

Today's changing business landscape brings with it a myriad of regulatory challenges, including large volume and pace of changes to laws and regulations across jurisdictions, states, and countries. The regulatory landscape is constantly evolving, and understanding it demands a deep knowledge of the organization's operations, past, present, and future.

In fact, a recent KPMG study found that 43% of chief ethics and compliance officers (CCOs) believe that new regulatory requirements pose the greatest challenge to their compliance efforts. To manage this challenge, 45% of CCOs say they are targeting compliance around industry-specific regulations as the most critical area to improve, where regulatory mapping and change management are prioritized for automation over the next two years. 73% of the participants predict that the level of focus on compliance, particularly in relation to regulatory expectations and scrutiny, will rise.

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.

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.

**SECTION IV – INTRODUCTION**

**THE ISSUE**

This Issue has been authorized by way of a resolution passed by our Board of Directors on Tuesday, October 29, 2024, in pursuance of Section 62 of the Companies Act, 2013.

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in 'Terms of the Issue' on page 98 of this Draft Letter of Offer.

<b>Equity Shares outstanding prior to the Issue</b>	[●] Equity Shares;	
<b>Right Shares offered in the Issue</b>	Up to [●] Right Shares; *	
<b>Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)</b>	[●] Equity Shares;	
<b>Rights Entitlement</b>	[●] Equity Shares for every [●] Equity Shares held on the Record Date;	
<b>Record Date</b>	[●];	
<b>Fractional Entitlement</b>	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Shareholders is less than [●] ([●]) Equity Shares or is not in multiples of [●] ([●]), the fractional entitlement of such Eligible Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Rights Share each, if such Eligible Shareholders have applied for additional Rights Shares over and above their Rights Entitlement, if any.;	
<b>Face Value per Equity Share</b>	₹1.00/- (Rupee One Only) each;	
<b>Issue Price per Equity Share</b>	₹[●]/- (Rupees [●] Only) including a premium of ₹[●]/- (Rupees [●] Only) per Rights Equity Share;	
<b>Issue Size</b>	Up to ₹ [●]/- (Rupees [●] Only), assuming full subscription and receipt of all Call Monies with respect to Rights Shares. On Application, Investors will have to pay ₹[●] per Rights Share, which constitutes [●]% of the Issue Price and the balance ₹[●] per Rights Share which constitutes [●]% of the Issue Price, will have to be paid, on one additional call as may be decided by the Board/ Committee of the Board from time to Time	
<b>Terms of the Issue</b>	Please refer to the section titled 'Terms of the Issue' beginning on page 98 of this Draft Letter of Offer;	
<b>Use of Issue Proceeds</b>	Please refer to the section titled 'Objects of the Issue' beginning on page 38 of this Draft Letter of Offer;	
<b>Security Code/ Scrip Details</b>	<b>ISIN</b>	INE430R01023
	<b>BSE Scrip ID</b>	AAYUSH
	<b>BSE Scrip Code</b>	539528
	<b>ISIN for Rights Entitlements</b>	[●]

\*For Right Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of 1 (One) additional Rights Equity Share each, if such Eligible Shareholders have applied for additional Rights Shares over and above their Rights Entitlements;

**TERMS OF PAYMENT**

Amount payable per Rights Shares	Face Value	Premium	Total
On Application	₹[●]	₹[●]	₹[●]*
On One or more subsequent Call(s) as determined by our Board/ Committee at its sole discretion, from time to time*	₹[●]	₹[●]	₹[●]**
<b>Total</b>	<b>₹1.00/-</b>	<b>₹[●]</b>	<b>₹[●]</b>

\*Constitutes [●] % of the Issue Price.

\*\*Constitutes [●] % of the Issue Price.

**ISSUE SCHEDULE**

<b>Issue Opening Date</b>	[●]
<b>Last date for On Market Renunciation of Rights</b>	[●]
<b>Issue Closing Date</b>	[●]

## GENERAL INFORMATION

Our Company was originally incorporated as 'Arihant Properties and Plantation Limited' on June 02, 1984 with the Registrar of Companies, Delhi & Haryana, as a Public limited Company under the provisions of the Companies Act, 1956. Subsequently our Company changed its name to Maa Kamakhya Ayurveda Limited on March 07, 2007. Further the name of our Company was changed to Patanjali Food and Herbs Limited on December 06, 2007. Thereafter, the name of the company was further changed to Aayush Food and Herbs Limited on March 04, 2010 with the Registrar of Companies, Delhi & Haryana.

Pursuant to a resolution of our Shareholders passed through Postal Ballot on May 03, 2024, the name of our Company was changed to Aayush Wellness Limited from Aayush Food and Herbs Limited and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Registrar of Companies, Delhi & Haryana on June 18, 2024. Our Company got listed on BSE Limited effective from December 31, 2015, bearing BSE Symbol and BSE Scrip ID 'AAYUSH' and BSE Scrip ID '539528'.

### REGISTERED OFFICE

Company	Aayush Wellness Limited
Registered Office Address	55, 2nd Floor, Lane 2, Westend Marg, Saidullajab, Near Saket Metro Station, , New Delhi, Delhi, 110030
Corporate Office Address	55, 2nd Floor, Lane 2, Westend Marg, Saidullajab, Near Saket Metro Station, , New Delhi, Delhi, 110030
Contact Details	+ 91-8448693031
Email-ID	<a href="mailto:cs@aayushwellness.com">cs@aayushwellness.com</a>
Website	<a href="http://www.aayushwellness.com">www.aayushwellness.com</a>
Corporate Identification Number	L01122DL1984PLC018307
Registration Number	018307

### ADDRESS OF THE REGISTRAR OF COMPANIES

#### Registrar of Companies, Delhi & Haryana

4th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019.

### BOARD OF DIRECTORS

Name	Designation	DIN	Address
Naveenakumar Kunjaru	Managing Director	07087891	House No. 1091, near Koleshwar Mander, Koliwada, Panvel, Panvel Raigarh, Maharashtra-410206
Pallavi Mittal	Non-Executive Director	07704583	D-250, Anupam Gardens, Sainik Farms, Khanpur, South Delhi, Delhi, 110062
Vishakha Umesh Jadhav	Non-Executive Independent Director	10064103	House No. 1091, near Koleshwar Mander, Koliwada, Panvel, Panvel Raigarh, Maharashtra-410206
Dr. Lalitkumar Deorao Anande	Non Executive Independent Director	02953124	S/O Deorao Anande A/8 Doctor Qutrs, G.T.B. Hospital, Jerbai Wadia Road Vitthal Mandir, Sewri Mumbai - 400015
Gavadu Somana Patil	Non-Executive Non-Independent Director	10346018	Mauje Jattewadi, Date Kolhapur, Maharashtra – 416552, India

For further details of our Board of Directors, please refer to the section titled '*Our Management*' beginning on page 57 of this Draft Letter of Offer.

COMPANY SECRETARY AND COMPLIANCE OFFICER		CHIEF FINANCIAL OFFICER	
<b>Ms. Sakshi Chopra</b> <b>Address:</b> 55, 2nd Floor, Lane 2, Westend Marg, Saidullajab, Near Saket Metro Station, , New Delhi, Delhi, 110030 <b>Contact Details:</b> + 91-8448693031 <b>Email-ID:</b> cs@aayushwellness.com.		<b>Mr. Surajmal Basantlal Jain</b> <b>Address:</b> 55, 2nd Floor, Lane 2, Westend Marg, Saidullajab, Near Saket Metro Station, New Delhi, Delhi, 110030. <b>Contact Details:</b> + 91-8448693031 <b>Email-ID:</b> cs@aayushwellness.com.	
STATUTORY AUDITORS		REGISTRAR TO THE COMPANY AND ISSUE	
<b>M/s. Bakliwal &amp; Co</b> <b>Address:</b> 111, First Floor, Balaji Tower VI, Nr. Raddison Blue Hotel, Mata Colony, Durgapura, Jaipur -302018 <b>Firm Registration Number:</b> 130381W <b>Contact Person:</b> Mr. Aayush Dodiya <b>Membership Number:</b> 181925 <b>Contact Details:</b> 0141-4016293 <b>E-mail ID:</b> <a href="mailto:info.jaipur@bakliwalca.com">info.jaipur@bakliwalca.com</a>		<b>Skyline Financial Services Private Limited</b> D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi- 110 020, India Contact Person: Mr. Anuj Rana Tel. Number: 011 40450193-197 Email: ipo@skylinerta.com; grievances@skylinerta.com Website: www.skylinerta.com SEBI Registration No.: INR000003241 Validity: Permanent Corporate Identification Number: U74899DL1995PTC071324	
BANKERS TO OUR COMPANY		BANKER TO THE ISSUE AND REFUND BANKER	
<b>Axis Bank Limited</b> <b>Address:</b> Corporate Center, Ground Floor, Andheri Kurla Road Andheri East <b>Website:</b> <a href="https://www.axisbank.com">https://www.axisbank.com</a>		<b>Name:</b> [●] <b>Address:</b> <b>Contact Person:</b> <b>E-mail ID:</b> [●] <b>Contact Details:</b> [●] <b>Website:</b> [●] <b>SEBI Registration Number:</b> [●]	

## INVESTOR GRIEVANCES

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 may be addressed to the Registrar, with a copy to the SCSBs, 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 Issue Shares applied for, amount blocked, 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. For details on the ASBA process, please refer to the section titled 'Terms of the Issue' beginning on page 98 of this Draft Letter of Offer.

## EXPERT TO THE ISSUE

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

- Our Company has received a written consent dated December 16, 2024, from our Statutory Auditor, M/s. Bakliwal & Co, Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act in this Letter of Offer and as an 'expert', as defined under Section 2(38) of the Companies Act, to the extent and in their capacity as statutory auditor of our Company and in respect of his reports on the Audited Consolidated Financial Statements, Unaudited Consolidated Financial Statements, and the statement of special tax benefits.

## SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to 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>	[●]
<b>Issue Opening Date</b>	[●]
<b>Last Date for On Market Renunciation of Rights Entitlements#</b>	[●]
<b>Issue Closing Date*</b>	[●]
<b>Finalization of Basis of Allotment (on or about)</b>	[●]
<b>Date of Allotment (on or about)</b>	[●]
<b>Date of credit (on or about)</b>	[●]
<b>Date of listing (on or about)</b>	[●]

### 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 Renounees 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.*

*The above schedule is indicative and does not constitute any obligation on our Company.*

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 not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., [●] 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., [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, please refer to the section titled '**Terms of the Issue**' beginning on page 98 of this Draft Letter of Offer. Please note that if no Application is made by the Eligible Equity Shareholders and Eligible Employees 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 amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Rights Shares offered under Rights Issue for subscribing to the Rights Shares offered under Issue. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders and Eligible Employees on the website of the Registrar at [www.skylinerta.com](http://www.skylinerta.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 98 of this Draft Letter of Offer.

#### **REGISTERED BROKERS**

In accordance with SEBI circulars bearing reference numbers CIR/CFD/14/2012 dated October 04, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centers, CDPs at Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone numbers, is available at the websites of the BSE accessible at [www.bseindia.com](http://www.bseindia.com) respectively, as updated from time to time.

#### **REGISTRAR AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of BSE Limited at <https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6>, as updated from time to time.

#### **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of BSE Limited.

#### **CREDIT RATING**

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

#### **DEBENTURE TRUSTEE**

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

#### **MONITORING AGENCY**

Since the Issue size does not exceed ₹100,00,00,000 (Rupees One Hundred Crores), there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulation.

#### **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**

This Draft Letter of Offer is being filed with the BSE Limited as per the provisions of the SEBI (ICDR) Regulations. Further, our Company will simultaneously submit this Draft Letter of Offer to SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in accordance SEBI circular bearing reference number 'SEBI/HO/CFD/DIL1/CIR/P/2018/011' dated January 19, 2018, issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the e-mail address at [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in).

## **MINIMUM SUBSCRIPTION**

The issue is subject to being in receipt of 90.00% (Ninety percent) of the Equity Shares being offered under the issue, on an aggregate basis. If our company does not receive the minimum subscription of 90.00% (Ninety percent), our Company shall refund the entire subscription amount, not later than 4 (four) days from the closure of this issue. In the event there is a delay in unblocking of ASBA beyond such period as prescribed by applicable laws, our company shall pay interest for the delayed period at rates prescribed under applicable laws.

## CAPITAL STRUCTURE

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

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
<b>Authorized Equity Share capital</b>		
9,00,00,000 (Nine Crores) Equity Shares <sup>(g)</sup>	₹9,00,00,000.00/-	-
<b>Issued, subscribed and paid-up Equity Share capital before this Issue</b>		
3,24,50,000.(Three Crore Twenty Four Lakh Forty Fifty Thousand) Equity Shares	₹ 3,24,50,000.00/-	-
<b>Present Issue in terms of this Draft Letter of Offer<sup>(a) (b)</sup></b>		
[●] ([●]) Issue of Equity Shares, each at a premium of ₹ [●]/- (Rupees [●] Only) per Equity Share, at an Issue Price of ₹[●]/- (Rupees [●] Only) per Equity Share	₹[●]/-	₹[●]/-
<b>Issued, subscribed and paid-up Equity Share capital after the Issue<sup>(c)</sup></b>		
[●] ([●]) Equity Shares		₹[●]/-
<b>Subscribed and paid-up Equity Share capital</b>		
[●] ([●]) fully paid-up Equity Shares		₹[●]/-
[●] ([●]) partly paid-up Equity Shares		₹[●]/-
<b>Securities premium account</b>		
Before the Issue <sup>(d)</sup>		75.00
After the Issue		₹[●]/-
After all Call made in respect of Rights Shares <sup>(e)</sup>		₹[●]/-

**Notes:**

- (a) The present Issue has been authorized by our Board of Directors pursuant to the resolution passed in their meeting conducted on Tuesday, October 29, 2024;
- (b) On Application, Investors will have to pay ₹ [●] per Rights Share which constitutes [●]% of the Issue Price and the balance ₹[●] per Rights Share which constitutes [●]% of the Issue Price, will have to be paid, on one additional call as may be decided by the Board/ Committee of the Board from time to time.
- (c) Assuming full subscription and receipt of all call monies with respect to Rights Shares;
- (d) As on September 30, 2024;
- (e) Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses;
- (f) Assuming full payment of all Call Monies by holders of Rights Shares.
- (g) The Authorized Capital has been approved by shareholders through Postal Ballot on December 09, 2024

### NOTES TO THE CAPITAL STRUCTURE

1. The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer.
2. At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
3. As on the date of this Draft Letter of Offer, our Company has not issued any special voting Rights Shares and there are no outstanding Equity Shares having special voting rights.
4. The ex-rights price arrived in accordance with the formula prescribed Regulation 10 (4) (b) of the SEBI (SAST) Regulations, in connection with the Issue is ₹ [●] (Rupees [●] Only).
5. **Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares**  
Our Company does not issue any securities which are convertible at a later date into Equity Shares.
6. **Details of stock option scheme of our Company**  
As on the date of this Draft Letter of Offer, our Company does not have a stock option scheme;

**7. 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**

As on the date of this Draft Letter of Offer, none of the Equity Shares held by the Promoter of the Company are locked-in, pledged and encumbered.

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

The Promoter of the Company has acquired Equity Shares in the last one year prior to the filing of this Draft Letter of Offer. The details of shares acquired are stated hereunder:

Sr No.	No. of Shares Acquired	Date of Acquisition	Mode of Acquisition	Post Transaction Holding (Number)	Post Transaction Holding (%)
None					

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

The Promoter of our Company do not hold any shares as on the date of the Right Issue and hence will not subscribe to any Shares in the Right Issue.

**10. Shareholding Pattern of our Company as per the last filing made with the BSE Limited in compliance with the provisions of SEBI (LODR) Regulations**

The shareholding pattern of our Company as on September 30, 2024, i.e., per the last filing with the BSE Limited in compliance with the provisions of SEBI (LODR) Regulations, which can be accessed on the websites of the BSE Limited, is specifically mentioned as follows:

Particulars of shareholding pattern	URL of BSE Limited's Website
Statement showing shareholding pattern of the Company	<a href="https://www.bseindia.com/stock-share-price/aayush-wellness-ltd/aayush/539528/shareholding-pattern/">https://www.bseindia.com/stock-share-price/aayush-wellness-ltd/aayush/539528/shareholding-pattern/</a>
Statement showing shareholding pattern of the Promoter and Promoter Group	<a href="https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=539528&amp;qtrid=123.01&amp;QtrName=30-Sep-24">https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=539528&amp;qtrid=123.01&amp;QtrName=30-Sep-24</a>
Statement showing shareholding pattern of the public shareholder	<a href="https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=539528&amp;qtrid=123.01&amp;QtrName=30-Sep-24">https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=539528&amp;qtrid=123.01&amp;QtrName=30-Sep-24</a>
Statement showing shareholding pattern of the Non-Promoter – Non-Public shareholder	<a href="https://www.bseindia.com/corporates/shpNonProPublic.aspx?scripcd=539528&amp;qtrid=123.01&amp;QtrName=30-Sep-24">https://www.bseindia.com/corporates/shpNonProPublic.aspx?scripcd=539528&amp;qtrid=123.01&amp;QtrName=30-Sep-24</a>
Details of Disclosure by Trading Members (TM) holding 1.00% (One Percent) or more of the Total number of Equity Shares	<a href="https://www.bseindia.com/corporates/shpdrPercent.aspx?scripcd=539528&amp;qtrid=123.01&amp;CompName=Aayush%20Wellness%20Ltd&amp;QtrName=30-Sep-24&amp;Type=TM">https://www.bseindia.com/corporates/shpdrPercent.aspx?scripcd=539528&amp;qtrid=123.01&amp;CompName=Aayush%20Wellness%20Ltd&amp;QtrName=30-Sep-24&amp;Type=TM</a>

Details of Public shareholders holding more than 1.00% of the pre-Issue paid up capital of our Company as on date of this Draft Letter of Offer:

Category of shareholder	No. of share holders	No. of fully paid-up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
Individuals	3	2461660	2461660	7.59	2461660	7.59	2461660
Bodies Corporate	2	8272432	8272432	25.49	8272432	25.49	8272432
LLP	9	16829310	16829310	51.85	16829310	51.85	16829310
<b>Total</b>	<b>14</b>	<b>27563402</b>	<b>27563402</b>	<b>84.93</b>	<b>27563402</b>	<b>84.93</b>	<b>27563402</b>

## SECTION V – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

Our Company proposes to utilize the net proceeds from the issue towards funding the following objects:

1. To Provide Loan to Wholly Owned Subsidiary;
2. To meet Working Capital Expenses;
3. General Corporate Purpose;
4. To meet issue expenses.

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 (₹ in Lakhs)
Gross Proceeds from the Issue	4990.00
Less: Estimated Issue related Expenses	190.00
<b>Net Proceeds from the Issue*</b>	<b>4800.00</b>

\*Assuming full subscription and receipt of all Call Monies with respect to Rights Shares.

### 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 (₹ in Lakhs)
1.	Loan to Wholly Owned Subsidiary	1800.00
2.	Working Capital	1800.00
3.	General Corporate Purpose	1200.00
	<b>Total Net Proceeds</b>	<b>4800.00</b>

Kindly note, in an event of any under-utilization of funds from the aforesaid stated objects of the Issue, the Company shall have the liberty to utilize the said balance fund for General Corporate Purpose, which shall not in any event exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds (inclusive of the aforementioned fund requirement for General Corporate Purpose);

### MEANS OF FINANCE

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75.00% (Seventy-Five Percent) of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue.

The fund requirement and deployment are based on our management estimates and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Further, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management and may require changes in making one additional call in the future, as may be decided by the Board/ Committee of the Board from time to time, with respect to the Rights Shares for the balance ₹[●] per Rights Share which constitutes [●]% of the Issue Price. If additional funds are required for the purposes mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them.

### SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during the Financial Year ending March 31, 2024. The funds deployment described herein is based on management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business, and strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the fund requirements described herein.

## DETAILS OF THE OBJECTS OF THE ISSUE

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

### 1. To Provide Loan to Wholly Owned Subsidiary

Aayush Wellness Limited is a trailblazer in the health and wellness industry, committed to transforming lives through innovative products and accessible services. The company operates through specialized divisions, each addressing unique wellness needs and promoting holistic well-being 'Aayush Veda' and 'Ayush Life'

#### Aayush Veda

Embracing the power of nature, Aayush Veda is dedicated to providing herbal solutions tailored to modern health challenges. Its flagship product, Herbal Pan Masala, serves as a healthier alternative to traditional pan masala and tobacco, which are known for their adverse health effects. Crafted with natural ingredients, this innovative product is designed to address the needs of India's 44 crore tobacco-chewing population, offering them a safer option while encouraging the transition toward healthier habits.

#### Aayush Life

This division offers innovative nutraceutical supplements designed for convenience and effectiveness, making health care an effortless part of daily life. Products like Sleep Gummies, which enhance sleep quality, and Beauty Gummies, which deliver essential nutrients for glowing skin and healthy hair, have redefined proactive wellness. Building on this success, the company plans to expand its portfolio with more products in this category, addressing diverse health needs and empowering individuals to take charge of their well-being with ease.

Currently, both the divisions Aayush Veda and Aayush Life operate under the umbrella of the holding company Aayush Wellness Limited. However, in the future, the company plans to incorporate separate wholly owned subsidiaries for each division (Aayush Veda and Aayush Life)

#### Strategic Expansion

To strengthen its foothold in the health and wellness sector, Aayush Wellness Limited has established **Aayush Healthsciences Private Limited**, a wholly owned subsidiary. This new entity is dedicated to providing affordable and accessible healthcare facilities, ensuring that quality medical support reaches people across diverse communities. By leveraging advanced technologies and a patient-centric approach, this subsidiary will not only lower the cost of healthcare but also simplify the process of receiving treatment. The focus is on creating a seamless experience, from early diagnosis to the management of chronic conditions, making healthcare a reality for millions who otherwise face financial or logistical barriers.

The upcoming incorporation of Aayush Global Private Limited marks a significant milestone in the company's international expansion journey. This entity will focus on managing export operations, enabling Aayush Wellness Limited to bring its innovative wellness products to global markets and meet the growing demand for health solutions worldwide.

The Company intends to utilize the Proceeds of the Issue as Loans to these Wholly Owned Subsidiary.

### 2. To Meet Working Capital Expenses

Our business is predominantly working capital intensive. Presently, 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 our working capital requirement for the Financial Years ending March 31, 2022, March 31, 2023, March 31, 2024, and the projected estimates for the Financial Year ending March 31, 2025 and March 31, 2026 is provided in the table below:

Particulars	As per the Financial Statement for the Financial Year ending March 31		Unaudited Financial Statement for half year ended Sep 30, 2024	Projected for the Financial Year ending March 31, 2025 (₹ in Lakhs)	Projected for the Financial Year ending March 31, 2026 (₹ in Lakhs)
	2023 (₹ in Lakhs)	2024 (₹ in Lakhs)			
<b>Current Assets</b>					
Inventories	0	0	15.85	31.70	47.54
Trade receivables	132.16	1.99	163.78	327.57	491.35
Cash and cash equivalents	61.84	5.06	147.19	294.38	441.57

Short Term Loans and advances			225.05	450.10	675.14
Other Assets	89.34	49.26	47.19	94.39	141.58
<b>Total Current Assets</b>	<b>283.34</b>	<b>56.31</b>	<b>599.06</b>	<b>1198.12</b>	<b>1797.18</b>
<b>Current Liabilities</b>					
Short Term Borrowings	0	0	0	0	0
Trade payables	0	0	1.68	3.36	5.04
Other current liabilities	7.79	4.03	-7.21	5.00	7.50
Short-term provisions		3.00	3.00	6.00	9.00
Deferred Govt Grants		3.33	3.33	6.66	9.99
<b>Total Current Liabilities</b>	<b>7.79</b>	<b>10.36</b>	<b>0.80</b>	<b>21.02</b>	<b>21.54</b>
<b>Net Working Capital</b>	<b>275.55</b>	<b>45.95</b>	<b>598.26</b>	<b>1177.10</b>	<b>1775.64</b>
<b>Sources of Funds</b>					
Short-Term Borrowing	0	0	0.00	0	0.00
Internal Accruals	275.55	45.95	598.26	777.10	375.64
Proceeds from the Issue	-	-	-	400	1400.00
<b>Total</b>	<b>275.55</b>	<b>45.9512</b>	<b>598.26</b>	<b>1177.10</b>	<b>1775.64</b>

### 3. General Corporate purpose

The Net Proceeds will first be utilized for the Objects as set out above. Subject to this, our Company intends to deploy balance left out of the Net Proceeds, aggregating to ₹ 1241.25 Lakhs, towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds from the Issue, in compliance with the SEBI (ICDR) Regulations. Such general corporate purposes may include, but are not restricted to, (i) strategic initiatives; (ii) funding growth opportunities; (iii) strengthening marketing capabilities and brand building exercises; (iv) meeting ongoing general corporate contingencies; (v) expenses incurred in ordinary course of business; and (vi) any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

### 4. Expenses for the Issue

The Issue related expenses consist of fees payable to the Legal Counsel, 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 Shares on the Stock Exchange.

Activity	Estimated Expense (₹ in Lakhs)	% of Estimated Issue Size Expenses	% of Estimated Issue Size
Fees of the Bankers to the Issue, Registrar to the Issue, Legal Advisor, Depository Fees, Auditor's fees, including out of pocket expenses etc.	[●]	[●]%	[●]%
Expenses relating to advertising, printing, distribution, marketing and stationery expenses.	[●]	[●]%	[●]%
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[●]	[●]%	[●]%
<b>Total estimated Issue expenses*</b>	[●]	[●]%	[●]%

\* Subject to finalization of Basis of Allotment and actual Allotment.

As and when our Company makes the calls for the balance monies with respect to the Rights Shares, our Company shall endeavour to utilize the proceeds raised from such calls within the same Financial Year as the receipt of the said call monies, failing which our Company shall utilize the said call monies in the subsequent Financial Years or by the re-payment dates as described in the 'Objects of the Issue'.

### SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED

As on date, our Company has not deployed any funds towards 'Objects of the Issue'.

### 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.

#### **MONITORING OF UTILIZATION OF FUNDS**

Since the proceeds from this Issue are less than ₹10,000.00 Lakhs (Rupees One Hundred Crores), in terms of Regulation 82 of the SEBI (ICDR) Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI (LODR) Regulation, the Audit Committee would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in the balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Financial Statements of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the BSE Limited.

As per the requirements of Regulations 18 of the SEBI (LODR) Regulations, we will disclose to the Audit Committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Draft Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Auditor.

Pursuant to Regulation 32 of the SEBI (LODR) Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI (LODR) Regulation, the Company shall furnish to BSE Limited, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

#### **VARIATION IN OBJECTS**

In accordance with applicable provisions of the Companies Act, 2013 and applicable rules, except in circumstances of business exigencies, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the '*Postal Ballot Notice* ') shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered Office is situated.

#### **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.

#### **INTEREST OF PROMOTERS, PROMOTER GROUP AND DIRECTORS, AS APPLICABLE TO THE OBJECTS OF THE ISSUE**

None of our Promoter, members of the Promoter Group and the Directors do not have any interest in the Objects of the Issue.

#### **OTHER CONFIRMATIONS**

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoter, 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 Promoter, 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 to 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.

## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors,  
**Aayush Wellness Limited**,  
55, 2nd Floor, Lane 2, Westend Marg, Saidullajab,  
Near Saket Metro Station,  
New Delhi, Delhi, 110030

Dear Sir,

**Subject: Proposed rights issue of equity shares of face value of ₹1.00/- (Rupee One only) ('Equity Shares') of Aayush Wellness Limited ('Company' and such offering, the 'Issue')**

This certificate is issued in accordance with the terms of our engagement letter dated Monday, December 16, 2024.

The preparation of the Statement is the responsibility of the management of the Company for the 'Issue', including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

We have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

The Management of the Company has prepared 'Statement of possible special tax benefits' under direct tax laws i.e. Income Tax Rules, 1962 ('Income Tax Laws'), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India available to the Company and its shareholders.

The Company has requested us to confirm statement attached in the Annexure I and II, are available to the Company and its shareholders.

We hereby confirm that the enclosed Annexures, prepared by the Company, provides the possible special tax benefits available to the Company. The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

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

1. The Company or its shareholders will continue to obtain these benefits in future; or
2. The conditions prescribed for availing the benefits have been/would be met with.

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

We hereby consent to the extracts of this certificate being used in the draft letter of offer / letter of offer of the Company in connection with the Issue or in any other documents in connection with the Issue, and the submission of this certificate as may be necessary, to any regulatory authority in connection with the Issue and in accordance with applicable law.

This certificate may also be relied upon by the Company their affiliates and the legal counsel in relation to the Issue.

The above certificate shall not be used for any other purpose without our prior consent in writing and we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Yours faithfully,

**M/s. Bakliwal & Co.,**  
**Chartered Accountants**  
**Firm Registration Number: 130381W**  
**Sd/-**

**Mr. Aayush Dodiya**  
**Membership Number: 181925**  
**UDIN: 24181925BKXCWY2093**  
**Date: Monday, December 16, 2024.**  
**Place: Jaipur**

## ANNEXURE I

### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO AAYUSH WELLNESS LIMITED ('COMPANY') AND ITS SHAREHOLDERS

#### 1. Under the Income Tax Act, 1961 ('Act')

##### a. Special tax benefits available to the Company under the Act

There are no special tax benefits available to the Company.

##### b. Special tax benefits available to the shareholders under the Act

There are no special tax benefits available to the shareholders of the Company.

#### Notes

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares;
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law;
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2024-25;
4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company;
5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile;
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;

## ANNEXURE II

### STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO AAYUSH WELLNESS LIMITED ('COMPANY') AND ITS SHAREHOLDERS

**1. Under the The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ('GST Act'), the Customs Act, 1962 ('Customs Act') and the Customs Tariff Act, 1975 ('Tariff Act') (collectively referred to as 'Indirect Tax')**

**a. Special tax benefits available to the Company under the Indirect Tax**

There are no special indirect tax benefits available to the Company.

**b. Special tax benefits available to the shareholders under the Indirect Tax**

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

**Notes:**

1. The above statement is based upon the provisions of the specified Indirect Tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure;
2. The above statement covers only above-mentioned Indirect Tax laws benefits and does not cover any direct tax law benefits or benefit under any other law;
3. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice;
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;

## SECTION VI – 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 the Company nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.*

### GLOBAL PROSPECTS AND POLICIES

Global growth is projected to stabilize at 2.6 percent this year, holding steady for the first time in three years despite flaring geopolitical tensions and high interest rates. It is then expected to edge up to 2.7 percent in 2025-26 amid modest growth in trade and investment. Global inflation is projected to moderate—but at a slower clip than previously assumed, averaging 3.5 percent this year. Given continued inflationary pressures, central banks in both advanced economies and emerging market and developing economies (EMDEs) will likely remain cautious in easing monetary policy. As such, average benchmark policy interest rates over the next few years are expected to remain about double the 2000-19 average.

Despite an improvement in near-term growth prospects, the outlook remains subdued by historical standards in advanced economies and EMDEs alike. Global growth over the forecast horizon is expected to be nearly half a percentage point below its 2010-19 average pace. In 2024-25, growth is set to underperform its 2010s average in nearly 60 percent of economies, representing more than 80 percent of global population and world output. EMDE growth is forecast to moderate from 4.2 percent in 2023 to 4 percent in both 2024 and 2025. Prospects remain especially lackluster in many vulnerable economies—over half of economies facing fragile- and conflict-affected situations will still be poorer by the end of this year than on the eve of the pandemic.

Global risks remain tilted to the downside despite the possibility of some upside surprises. Escalating geopolitical tensions could lead to volatile commodity prices, while further trade fragmentation risks additional disruptions to trade networks. Already, trade policy uncertainty has reached exceptionally high levels compared to other years that have featured major elections around the world since 2000. The persistence of inflation could lead to delays in monetary easing. A higher-for-longer path for interest rates would dampen global activity. Some major economies could grow more slowly than currently anticipated due to a range of domestic challenges. Additional natural disasters related to climate change could also hinder activity. On the upside, global inflation could moderate more quickly than assumed in the baseline, enabling faster monetary policy easing. In addition, growth in the United States could be stronger than expected.

Growth is projected to soften in most EMDE regions in 2024. In East Asia and Pacific, the expected slowdown this year mainly reflects moderating growth in China. Growth in Europe and Central Asia, Latin America and the Caribbean, and South Asia is also set to decelerate amid a slowdown in their largest economies. In contrast, growth is projected to pick up this year in the Middle East and North Africa and SubSaharan Africa, albeit less robustly than previously forecast.

(Source: <https://openknowledge.worldbank.org/server/api/core/bitstreams/88d04f90-2597-488e-a693-1246cbfeb06b/content>)

### INDIAN ECONOMY OVERVIEW

India's economy is emerging with resilience as the dust settles after a high-stakes elections period.<sup>1</sup> Its gross domestic product grew 6.7% year over year in the April-to-June quarter. While that was the slowest rate in five quarters, India remains one of the world's fastest-growing large economies, and Deloitte's analysis predicts continued strength in the year ahead. Growth is likely to pick up, driven by increasing consumer spending, especially in rural India, as inflation subsides, and agricultural output improves after favourable monsoon conditions.

Deloitte retains its annual GDP growth projection to be between 7% and 7.2% in fiscal 2024 to 2025 and between 6.5% and 6.8% the following fiscal. A tempered global growth outlook and a delayed synchronized recovery in Western economies—compared to what was previously expected—will likely weigh on India's exports and outlook for the next fiscal year. At the same time, India may benefit from higher capital inflows, translating into long-term investment and job opportunities as multinational companies around the world look to reduce operational costs further.

The [last edition of this outlook](#) highlighted exciting new consumption spending trends in the rural economy.<sup>3</sup> However, sustaining this shift hinges on bolstering purchasing power and ensuring a stable income source for its people. This phenomenon motivated us to investigate if the trends in the Indian labor market could continue to boost consumer spending. Consequently, the focus in this edition is on key developments in the labor market—particularly the impact of the pandemic and its subsequent recovery—using data from Periodic Labour Force Survey (PLFS) reports published since 2017.

The latest report (2023 to 2024) points to some green shoots in labor market trends—with a rise in the share of salaried positions and services subsectors demanding higher qualifications, including business and professional services in the areas of technology and finance. Female participation in the labor force has also increased, particularly in rural areas. However, a heavy reliance on agricultural jobs continues, and informal employment remains prevalent.

We believe the government's focus on boosting manufacturing and improving youth employability, coupled with India's young and aspirational population, presents a unique opportunity for economic growth. As the country advances toward becoming a US\$5 trillion economy by fiscal 2027 to 2028,<sup>5</sup> expanding manufacturing and emerging industries and transitioning toward clean-energy alternatives are likely to create high-quality, formal,

and green jobs. This will help many Indian states that are aspiring to grow rapidly, as they are already investing in these areas to tap into India's demographic advantage. Subsequently, the improvements in the labor market will likely be reflected in future surveys.

### Decoding the first quarter of fiscal 2024 to 2025

India's GDP grew by 6.7% year over year in the first quarter of fiscal 2024 to 2025 (that is, the quarter from April to June 2024), aligning with our projected range of 6.5% to 6.7%.<sup>6</sup> Although this marks the slowest growth in five quarters, the Indian economy showed resilience, especially during the part of the quarter coinciding with the general elections.

The two methods of estimating economic activity are decoded as follows.

**The expenditure approach** points to strong private consumption growth, which grew 7.4% in the first quarter from a year earlier—a seven-quarter high. With inflation easing and stronger farm outputs, consumption spending recovered, especially in rural areas. Meanwhile, gross fixed-capital formation spending grew 7.5%, a strong rate despite election uncertainties, modest corporate profits, and substantial income repatriation from foreign capital flows. Exports grew 8.7% in the same period, primarily because of strong services exports. While goods exports did well, exports in certain segments—such as gems and jewelry—contracted and the momentum of higher-value goods remained strong. Imports grew 4.1% in the quarter, down from the 8.3% growth in the prior quarter, resulting in a positive net contribution of trade to GDP.

**The production approach** points to stronger-than-anticipated manufacturing activities, which grew 7% year over year in the first quarter, and robust construction (10.5%), pushing India's gross value-added growth to a 6.8% annual rate in the first quarter of fiscal 2024 to 2025, compared with the prior quarter's 6.3%. After three consecutive quarters of poor growth, agriculture showed signs of recovery, growing at 2%: We believe this recovery will strengthen further as India receives plentiful rainfall this monsoon season.<sup>7</sup> This bodes well for rural demand and growth in overall consumption spending during the festive season.

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. As per IMF India's projected Real GDP for 2023 change to 5.9 per cent for 2023-24 and 6.3 per cent for 2024-25.

(Source: <https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook.html> )

## INDIAN NUTRACEUTICALS AND HEALTH SUPPLEMENTS INDUSTRY

### Introduction

#### MARKET SIZE

The India nutraceuticals market size was estimated at USD 30.37 billion in 2024 and is projected to grow at a CAGR of 13.6% from 2025 to 2030. The market growth is attributed to rising consumer focus on health-promoting diets, increasing instances of lifestyle-related disorders, and preventive healthcare. The increasing trend among consumers to alter dietary habits is expected to boost the demand for nutraceuticals. The consumer belief that an improper diet results in increasing pharmaceutical spending is anticipated to boost the demand for nutraceuticals, which, in turn, is projected to help the governments in terms of low expenditure on healthcare as well as social security costs.

The Indian nutraceuticals industry held 9.22% of the global nutraceuticals market revenue in 2023. The growing concerns among the aging population about heart health and obesity are expected to increase the demand for nutraceuticals among this population. The aging population is receptive to personalized nutrition, which gives ample growth opportunities to nutraceutical manufacturers, which has also resulted in educational programs targeted at this demographic. Education and a clear message to the target population about various health concerns are expected to result in high awareness among consumers, which would result in high product demand.

Nutraceutical manufacturers invest in R&D activities for various reasons, such as exploration and interest in new ingredients, regulatory requirements, intellectual property purposes, and differentiating products to gain a competitive advantage. The patents and their protection form an important part of the revenue strategy of nutraceutical manufacturers, leading to a large expenditure on patenting compounds and processes that manufacturers believe can generate revenues in the future.

The nutraceutical industry is anticipated to witness considerable growth over the next years owing to their increasing consumption for the prevention of diseases and growing health consciousness among the population. The increased usage of the internet has resulted in the consumer being more knowledgeable about chronic diseases and the preventive methods that include the consumption of nutraceuticals. Recently, consumers have turned their attention towards nutraceuticals manufactured from natural ingredients or by the usage of natural methods.

#### KEY ADVANTAGES

Key advantages for India in the nutraceutical industry include:

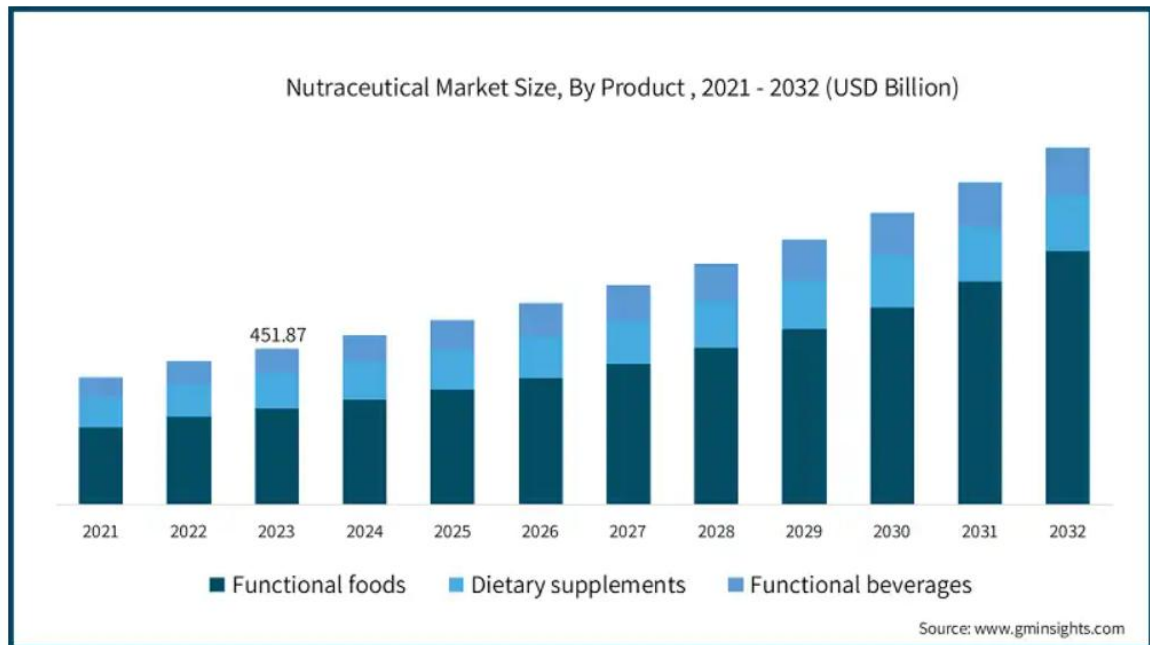
- A longstanding history in health science, especially Ayurveda, offering unique traditional knowledge.
  - The presence of 52 agroclimatic zones, making India ideal for cultivating medicinal plants.
  - A robust hub of over 1,700 medicinal plants, including globally recognized curcumin, bacopa and ashwagandha, awaiting modern scientific validation.
  - Expertise in pharmaceutical formulation, influencing high-quality nutraceutical standards.
  - A thriving startup ecosystem and a growing number of successful nutraceutical companies catalysing sectoral growth.
- The TF's initiatives have led to significant advancements, including:
- Introduction of HSN Codes: Development of the first-ever Harmonized System of Nomenclature codes for streamlined trade.

- **PLI Scheme:** Creation of the first-ever Production-Linked Incentive (PLI) scheme for nutraceuticals.
- **Nutraceutical Industry Panel:** Formation of a dedicated nutraceutical industry panel under SHEFEXIL (Shellac & Forest Products Export Promotion Council) to enhance regulatory and export support.
- **Compliance and Export Initiatives:** SHEFEXIL has recommended nutraceuticals remain classified as food products under FSSAI's jurisdiction. Additionally, nutraceutical exporters are now included in the Remission of Duties and Taxes on Export Products (RoDTEP) Scheme, aligned with the Biodiversity Act 2023, to offset export costs and ensure EU compliance.

## ROAD AHEAD

The global nutraceutical market was valued at USD 451.7 billion in 2023 and is expected to grow at a CAGR of 4.7% from 2024 to 2032. This growth is driven by increasing consumer awareness of health and wellness, with more people seeking preventive healthcare options. Nutraceuticals, a blend of nutrition and pharmaceuticals, provide health benefits beyond basic nutrition and are used for disease prevention, health maintenance, and overall well-being

### Nutraceutical Market Analysis



(Source: <https://www.gminsights.com/industry-analysis/nutraceuticals-market>)

## BUSINESS OVERVIEW

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For the purpose of discussion of certain risks in connection with investment in the Equity Shares, you should read 'Risk Factors' beginning on page 16 of this Draft Letter of Offer, and for the purpose of discussion of the risks and uncertainties related to those statements, as well as for the discussion of certain factors that may affect our business, financial condition, you should read 'Financial Information' beginning on page 60 of this Draft Letter of Offer.*

### OVERVIEW

Our Company was originally incorporated as 'Arihant Properties and Plantation Limited' on June 02, 1984 with the Registrar of Companies, Delhi & Haryana, as a Public limited Company under the provisions of the Companies Act, 1956. Subsequently our Company changed its name to Maa Kamakhya Ayurveda Limited on March 07, 2007. Further the name of our Company was changed to Patanjali Food and Herbs Limited on December 06, 2007. Thereafter, the name of the company was further changed to Aayush Food and Herbs Limited on March 04, 2010, with the Registrar of Companies, Delhi & Haryana. Pursuant to a resolution of our Shareholders passed through Postal Ballot on May 03, 2024, the name of our Company was changed to Aayush Wellness Limited from Aayush Food and Herbs Limited and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Registrar of Companies, Delhi & Haryana on June 18, 2024.

Our Company is currently engaged in the business of selling various products in the categories ranging from Nutraceuticals & Supplements, Herbal Health Solutions, Beauty & Wellness Products and Preventive Healthcare

Our Company is committed to providing innovative products that blend traditional flavours with modern wellness trends. We operate in the pan masala market, offering a unique herbal pan masala infused with Ayurvedic ingredients. This product aims to deliver a traditional experience while promoting healthier alternatives for our customers.

In line with our vision of expanding into the health and wellness sector, we are excited to announce the launch of our new line of health gummies next month. These gummies are crafted with high-quality ingredients and designed to cater to the growing demand for convenient and enjoyable wellness solutions.

#### Aayush Wellness Mission

- Transforming healthcare and wellness by merging Ayurveda with modern scientific advancements.
- Enhancing well-being through three key initiatives:
- Combatting tobacco addiction.
- Providing nutritional supplementation for all.

#### Combatting Tobacco Addiction

- Addressing the health risks of tobacco addiction by offering herbal alternatives to traditional tobacco products like pan masala and gutka.
- Formulating products with Ayurvedic herbs that mimic the tobacco experience without harmful effects.
- Supporting individuals in overcoming tobacco addiction and reducing tobacco-related diseases.

#### Nutritional Supplementation for All

- Tackling malnutrition, especially in vulnerable populations.
- Providing Ayurvedic nutritional supplements that nourish and strengthen those in need.
- Collaborating with NGOs and government schemes to distribute supplements to underserved communities.
- Integrating Ayurvedic principles with modern nutritional science to address deficiencies and promote overall health.

#### Enhancing Healthcare Accessibility

- Making healthcare and wellness accessible regardless of geographical or socioeconomic barriers.
- Educating and inspiring people to take control of their health through comprehensive campaigns.
- Promoting the benefits of Ayurvedic practices and balanced lifestyles.
- Working to improve healthcare infrastructure in collaboration with local health workers and government bodies.

#### Holistic Approach

- Fostering long-term health, vitality, and balanced lifestyles through a holistic approach.



- Integrating Ayurveda with modern science to offer innovative products and solutions.
- Promoting the benefits of Ayurvedic practices and balanced lifestyles.
- Addressing root causes of health problems, providing comprehensive nutrition, and promoting preventive care.

#### **Aayush Wellness Vision**

- Aayush Wellness is rooted in ancient Ayurvedic wisdom combined with modern medical principles.
- The primary vision is to offer a comprehensive approach to health and well-being, merging traditional knowledge with modern scientific advancements.
- Aiming to create a balanced, healthy, and sustainable lifestyle for individuals and communities.

#### **Holistic Health Approach**

- Health is viewed as a state of complete physical, mental, and spiritual well-being, not just the absence of disease.
- Emphasizes the interconnectedness of body, mind, and spirit, with each aspect influencing the others.
- Focuses on preventive care and maintaining balance in all aspects of life.

#### **Integrating Ayurveda with Modern Medicine**

- Bridges the gap between ancient Ayurvedic practices and modern medical science.
- Fuses individualized treatment plans, natural remedies, and lifestyle changes of Ayurveda with the precision of modern medicine.
- Provides treatments that address both symptoms and root causes, promoting long-term health.

#### **Personalized Wellness Plans**

- Creates personalized wellness plans tailored to each individual's unique needs.
- Considers factors like lifestyle, dietary habits, mental state, and environmental influences.
- Offers customized solutions that promote balance and well-being at all levels.

#### **Emphasis on Prevention and Sustainability**

- Focuses on prevention, emphasizing balanced nutrition, regular physical activity, stress management, and adequate sleep.
- Reduces the risk of chronic conditions through a proactive approach.
- Prioritizes sustainability in health practices, using natural, locally-sourced ingredients, and promoting eco-friendly practices.

#### **Community and Global Impact**

- Aims to extend its impact to the well-being of communities and the planet.
- Promotes awareness of holistic health practices and sustainable living.
- Seeks collaboration with global health organizations, contributing to the conversation on integrative and preventive medicine.

#### **Innovation and Continuous Learning**

- Committed to innovation while staying rooted in tradition.
- Encourages ongoing research into Ayurvedic practices and their integration with modern medicine.
- Stays informed about the latest scientific advancements to ensure practices remain relevant and effective.

### **A BRAND OF AAYUSH WELLNESS LIMITED**

#### **“THE CONCEPT”**

Aayush Wellness is a health initiative that blends the ancient wisdom of Ayurveda with the advancements of modern scientific medicine to offer a comprehensive approach to health and well-being. This unique integration focuses on both preventive and therapeutic aspects of health, ensuring that individuals receive personalized care that addresses their specific needs while also considering the broader influences of climate and environment.

#### **The Foundations of Aayush Wellness**

At the heart of Aayush Wellness is the belief that true health encompasses more than just the absence of disease. It involves a state of complete physical, mental, and spiritual well-being. Ayurveda, one of the oldest systems of medicine, forms the foundation of Aayush Wellness. Its principles emphasize maintaining balance within the body and mind, which is crucial for preventing illness and promoting long-term health. Ayurveda's approach to health is both preventive and therapeutic, similar to modern medicine. However, Ayurveda places a strong emphasis on prevention through lifestyle choices, personal and social hygiene, and a deep understanding of the individual's unique constitution or 'Prakriti.' This personalized approach ensures that each person's specific needs are met, leading to more effective health outcomes.

#### **Personalized Preventive Care**

Aayush Wellness emphasizes preventive care as a cornerstone of its approach. By understanding an individual's unique constitution, Aayush Wellness provides personalized recommendations for diet, exercise, and lifestyle practices that promote balance and prevent illness. This preventive approach is not a one-size-fits-all solution; instead, it is tailored to each person, taking into account their body type, mental state, and external factors such as climate and environment.

This personalization extends to the adherence to a strict code of personal and social hygiene. Aayush Wellness recognizes that maintaining cleanliness and proper hygiene is crucial for preventing the spread of diseases and ensuring overall well-being. By integrating these practices into daily life, individuals can significantly reduce their risk of illness and maintain a higher quality of life.

## Integrating Modern Science and Ayurveda

Aayush Wellness stands out for its integration of modern scientific medicine with the time-tested practices of Ayurveda. Modern medicine excels in its diagnostic precision, technological advancements, and evidence-based treatments, while Ayurveda offers a holistic understanding of health that addresses the root causes of disease rather than just the symptoms. By combining these two approaches, Aayush Wellness provides a more comprehensive treatment plan that caters to both immediate health concerns and long-term well-being.

This integration is particularly evident in how Aayush Wellness addresses therapeutic care. While modern medicine often focuses on treating symptoms with pharmaceuticals and surgical interventions, Aayush Wellness incorporates Ayurvedic therapies that use natural remedies, lifestyle changes, and mind-body practices to restore balance and promote healing. This approach not only alleviates symptoms but also targets the underlying causes of illness, leading to more sustainable health outcomes.

## Environmental and Climate Considerations

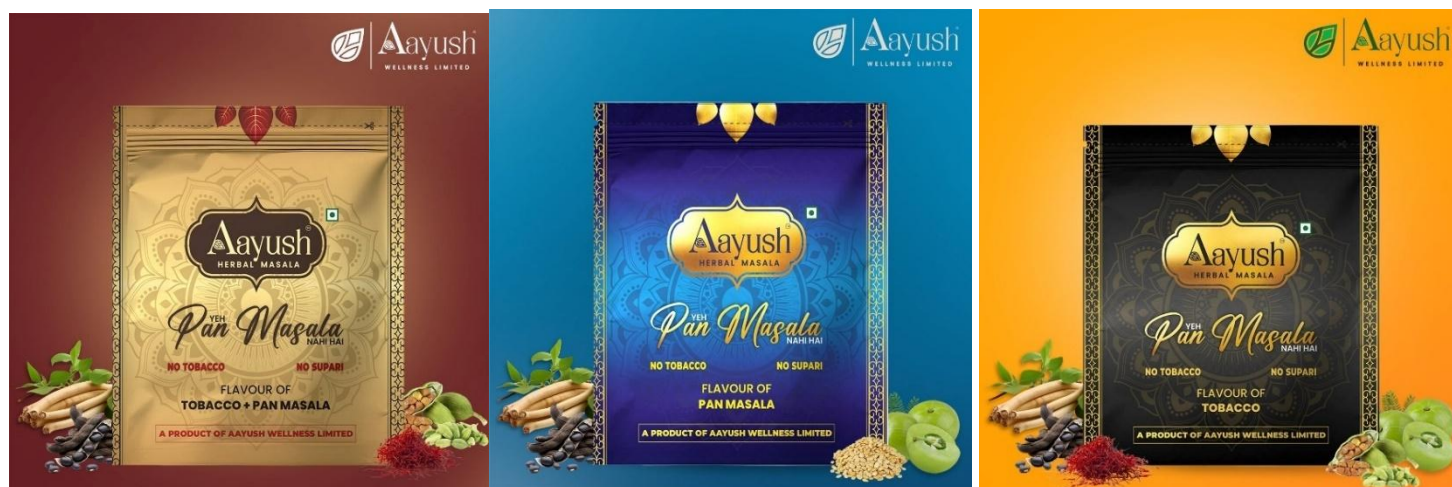
A key aspect of Aayush Wellness is its recognition of the influence of climate and environment on health. Ayurveda has long acknowledged that changes in seasons, weather, and geographical location can significantly impact an individual's health. Aayush Wellness incorporates this understanding into its health recommendations, ensuring that individuals adjust their lifestyle practices to align with environmental changes. This adaptability is crucial for maintaining balance and preventing illness, especially in today's rapidly changing world.

In conclusion, Aayush Wellness offers a unique and comprehensive approach to health by embracing the principles of Ayurveda and aligning them with modern scientific medicine. By focusing on both preventive and therapeutic care, personalized to each individual's needs and environmental factors, Aayush Wellness promotes overall well-being and a balanced lifestyle. This integration of ancient wisdom and modern science ensures that individuals receive the best of both worlds, leading to a more sustainable and holistic approach to health that can be adapted across diverse communities and environments.

## OUR PRODUCTS

### Aayush Herbal Pan Masala

An exquisite, all-natural concoction designed to harmonise and rejuvenate your senses using the heritage of Ayurveda. Crafted from a precise blend of natural & ayurvedic herbs with healing properties, this pan masala and gutka alternative is not only a delight for your taste buds but also a beneficial choice for overall well-being. Our blend not only mimics the taste and aroma of traditional pan & tobacco products but also support numerous health benefits, thereby encouraging users to do away with their harmful habits, and contributing to the prevention of tobacco-related illnesses.



### Aayush Beauty Gummies



Our Glow Beauty Gummies. Crafted with a blend of Modern Scientific ingredients such as Glutathione, Hyaluronic Acid, and Biotin, and Active Ayurveda such as Curcumin and Sea Buckthorn Extract. These gummies support skin hydration, repair, and nourishment while promoting healthy hair growth, helping you achieve a youthful, glowing complexion and strong, vibrant locks. These gummies are Non-GMO & 100% Vegan.

Our Glow Beauty Gummies offer a gluten-free, 100% vegan solution, meticulously formulated to enhance your natural beauty. Infused with Glutathione to brighten your skin and reduce pigmentation, Hyaluronic Acid to boost skin hydration and elasticity, and Biotin to nourish hair and reduce hair fall. The inclusion of Vitamin C and Curcumin further supports skin repair, fights free radicals, and promotes a luminous, healthy complexion. Easy to carry and deliciously simple to consume, our Beauty Gummies provide a rejuvenating, flavorful experience that seamlessly integrates wellness into your daily routine, making radiant, youthful skin and hair more accessible than ever.

Promotes Radiant Skin: Enhances natural glow and reduces pigmentation. Supports Skin Hydration: Boosts moisture levels and improves skin elasticity. Nourishes Hair: Reduces hair fall and promotes strong, healthy hair growth.

### Aayush Sleep Gummies



Introducing Dreamy Sleep Gummies, a scientifically-formulated, 100% vegan, and gluten-free sleep solution. These non-drowsy and non-addictive gummies combine modern ingredients like Melatonin and L-Tryptophan with ancient Ayurvedic herbs like Tagar, Brahmi, and Chamomile to promote relaxation, reduce stress, and enhance sleep quality. They help regulate the sleep-wake cycle, boost serotonin levels, and support deep, restful sleep.

## MANUFACTURERS

We are sourcing our all products from dedicated manufacturing since inception. We out sourced all its manufacturing needs to various suppliers who are expert in particular product in India which enables company to adhere to the required specifications and quality in stipulated time.

## OUR BUSINESS STRENGTHH

### 1. Experienced Management Team.

Our Company is managed by a team of competent personnel having knowledge of core aspects of our Business. Our Board of Directors with their knowledge and experience as well as assisted by our Key Managerial Persons who have helped us to have long-term relations with our customers. Further, they have also facilitated us to entrench with new customers. We believe that our experience, knowledge and human resources will enable us to drive the business in a successful and profitable manner.

### 2. Focused Market Area

We are actively engaging with local communities, medical institutions, and government authorities to identify and address healthcare challenges at the grassroots level. By fostering partnerships and mobilizing resources, we aim to create sustainable solutions that benefit society as a whole.

### 3. Evolving Healthy Lifestyle.

We believe in a comprehensive approach to healthcare that encompasses prevention, early detection, and timely intervention. Through our integrated platform, individuals can access a wide range of health and wellness solutions tailored to their unique needs through our Online Doctor Consultations, Nutritional Support Programs and Health Awareness Campaigns. Our Aayush Herbal Pan Masala aims to facilitate the Gutka and Pan masala to reduce the consumption of tobacco and supari. This will help people to make better and healthier choices.

### 4. Easy Access

The availability of our products is way easier as the products are available throughout the country.

### 5. Range of Product Offerings

We recently launched our Dreamy Sleep Gummies to enhance the sleep quality and help people tackle sleep related issues. We have more products in the pipeline to expand our presence in the multi-billion dollars nutraceutical and dietary supplement market.

### 6. Competitive Price

Aayush Wellness is dedicated to enhancing overall well-being through meticulously formulated products that bridge nutritional gaps and promote holistic wellness. We endeavour to offer high products at a competitive price.

## OUR VISION

We are dedicated to promoting healthier lifestyles by offering a range of herbal alternatives to tobacco, gutkha, and pan masala.

Our products, crafted from natural ingredients, not only mimic the taste and aroma of traditional tobacco products but also offer numerous health benefits, thereby championing the cause of antitobacco campaigns and contributing to the prevention of cancer and other tobacco-related illnesses.

Aayush Wellness is dedicated to bridging the gap in healthcare access, particularly in Tier 2 and Tier 3 cities and rural areas. By leveraging government schemes and partnerships with medical institutions, we strive to make essential healthcare services, including online doctor consultations, primary medical treatments, diagnostic tests, and major surgeries, accessible and affordable to all segments of society.

## HUMAN RESOURCE

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. As on March 31, 2024, we had 7 permanent employees.

## COMPETITION

The industry in which we are operating is highly and increasingly competitive. The competitive pricing and other factors may affect our results of operations and financial condition. Competition may result in pricing pressures, reduced profit margins or loss market share or a failure to grow our market share, any of which could substantially harm our business and results of operations.

## MARKEING STRATEGY

We provide products under PAN (Presence Across Nation) India basis and we create brand visibility through marketing and advertising. We are also diversifying the products in direct and combo deals. Further, Our Sales & Marketing team is headed by our management which keeps itself updated on the customer preference and changes in their requirements from time to time. Based on the feedback from our sales team, we place the purchase

order with our different manufacturers.

## **COLLABORATIONS**

The Company has so far not entered into any technical or financial collaboration agreement.

## **EXPORT POSSIBILITY AND OBLIGATION**

Our Company plans to export its products in the near future.

## **INTELLECTUAL PROPERTY**

For details of the trademarks registered in the name of our Company and the application made for registration, please refer “Government and Other Approvals” on page 90 of this Draft Letter of Offer.

## **OUR PROPERTY**

As on filing the Draft Letter of Offer the Company does not own any property and solely operates on rented premises.

## **INSURANCE POLICIES**

As on the date of filing the Draft Letter of Offer, our Company do not have any policies.

## OUR MANAGEMENT

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 Draft Letter of Offer, our Company currently has 5 (Five) directors on its Board, 1 (One) Managing Executive Director and Chairperson, 2 (two) Non-Executive Non-Independent Directors and 2 (Two) Non-Executive Independent Director. 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 Draft Letter of Offer:

Name, Designation, Address, Occupation, Term, Nationality, Date of Birth and DIN	Age (years)	Other Directorships
<p><b>Naveena Kumar Kunjaru</b></p> <p><i>Designation</i> Managing Director</p> <p><i>Address</i> House No. 1091, near Koleshwar Mander, Koliwada, Panvel, Panvel Raigarh, Maharashtra-410206;</p> <p><i>Occupation</i> Business;</p> <p><i>Term</i> Appointed as Managing Director for period of Five years w.e.f. June 13, 2023;</p> <p><i>Nationality</i> Indian;</p> <p><i>Date of Birth</i> September 26, 1979;</p> <p><i>DIN</i> 07087891</p>	45 years	NIL
<p><b>Gavadu Patil</b></p> <p><i>Designation</i> Non-executive, Non Independent Director;</p> <p><i>Address</i> Mauje Jattewadi, Date Kolhapur, Maharashtra – 416552, India</p> <p><i>Occupation</i> Business;</p> <p><i>Term</i> Appointed as Non-executive, Non Independent Director w.e.f. February 09, 2024</p> <p><i>Nationality</i> Indian;</p> <p><i>Date of Birth</i> June 01, 1966</p> <p><i>DIN</i> 10346018</p>	58 years	1. A2ZDev Ventures Private Limited
<p><b>Pallavi Mittal</b></p> <p><i>Designation</i> Non-Executive Director;</p> <p><i>Address</i> D-250, Anupam Gardens, Sainik Farms, Khanpur, South Delhi, Delhi, 110062</p> <p><i>Occupation</i> Business;</p> <p><i>Term</i> Appointed as Non-Executive Director w.e.f. June 13, 2023;</p> <p><i>Nationality</i> Indian;</p> <p><i>Date of Birth</i> September 12, 1989;</p> <p><i>DIN</i> 07704583</p>	35 Years	NIL
<p><b>Dr. Lalitkumar Anande</b></p> <p><i>Designation</i> Non-Executive Independent Director;</p> <p><i>Address</i> S/O Deorao Anande A/8 Doctor Qutrs, G.T.B. Hospital, Jerbai Wadia Road Vitthal Mandir, Sewri Mumbai - 400015</p> <p><i>Occupation</i> Medical Professional;</p>	62 Years	1. Standev Research Private Limited

Name, Designation, Address, Occupation, Term, Nationality, Date of Birth and DIN		Age (years)	Other Directorships
<i>Term</i>	Appointed as Non-executive Independent Director w.e.f. February 09, 2024		
<i>Nationality</i>	Indian;		
<i>Date of Birth</i>	December 09, 1962		
<i>DIN</i>	02953124		
<b>VISHAKHA UMESH JADHAV</b>		40 Years	1. PARADO WHEELS LLP 2. ELECMAT PROMOTIONS LLP
<i>Designation</i>	Non-Executive Independent Director;		
<i>Address</i>	House No. 1091, near Koleshwar Mander, Koliwada, Panvel, Panvel Raigarh, Maharashtra-410206		
<i>Occupation</i>	Business		
<i>Term</i>	Appointed as Non-Executive Independent		
<i>Director w.e.f</i>			
<i>Date of Birth</i>	11/06/1984		
<i>DIN :</i>	07704583		

## Confirmations

### 1. Past Directorships in suspended companies

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

### 2. Past Directorships in delisted companies

Further, none of our directors are or were a director of any listed company, which has been, or was 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 Draft Letter of Offer.

### 3. Relationship between Directors

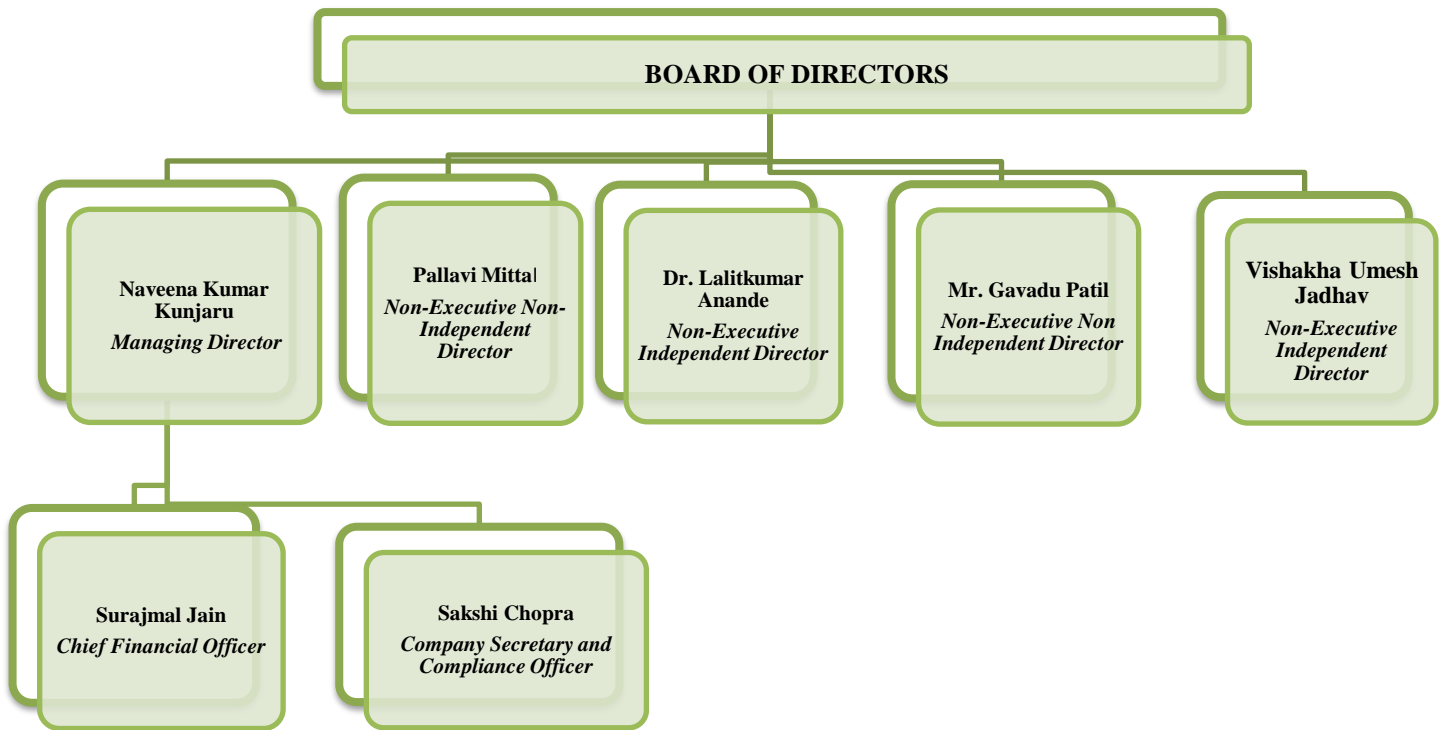
As on the date of this Draft Letter of Offer, none of our directors are related to each other.

### 4. Arrangement or understanding with major Shareholders, customers, suppliers or others

Our Company has not entered any arrangement or understanding with major shareholders, customers, suppliers, or others pursuant to which any of the above-mentioned directors have been appointed in the Board.

### 5. Details of service contracts entered with Directors

Our Company has not entered any service contracts with the present Board of Directors for providing benefits upon termination of employment.



#### DETAILS OF OUR KEY MANAGERIAL PERSONNEL AS ON THE DATE OF FILING OF THIS DRAFT LETTER OF OFFER

1. Mr. Naveena kumar Kanjaru is a Commerce Graduate. He has experience of more than 10 years in the field of Finance Management.
2. Mr. Gavadu Patil has vast experience of more than 25 years in Business Operations and Technology Departments in various organizations.
3. Dr. Lalitkumar Anande has been working for over 25 years in the Medical field, Research & Development and worked with reputed Medical Institutions.
4. Ms. Vishakha Umesh Jadhav is a Commerce Graduate, She has wide experience of over 7 years in Management activities. She also has experience in Investment Strategies and taking client on board. Her knowledge and skills will be extremely helpful to the business
5. Mr. Gavadu Somana Patil is a Technical Director- Daulat Shetkari Sahakari Sakhar Karkhana Ltd, Halkarni, Chairman in Farmer Club Maharashtra, Director of Organic Farming Maharashtra, Director in Jal Sanjivani Nadi Jod Prkalp Maharashtra Rajya, Director of Kisan Brigade



**SECTION VII – FINANCIAL INFORMATION**

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<b>Sr. No</b>	<b>Details</b>	<b>Page Number</b>
1	Unaudited Financial Results for the Half Year ended September 30, 2024	F-1 to F-8
2	Audited Financial Statements as at and for the years ended, March 31, 2024	58 to 83



AAYUSH WELLNESS LIMITED							
CIN: L01122DL1984PLC018307							
Regd. Off.: 55, 2nd Floor, Lane 2, Westend Marg, Saidullajab, Near Saket Metro Station, New Delhi, Delhi - 110030.							
Contact: 8448693031; Website: www.aayushwellness.com; Email: cs@aayushwellness.com							
STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED ON 30.09.2024							
(Amount in Thousands)							
Sr. No.	Particulars	STANDALONE					
		3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	6 months ended	Corresponding 6 months ended in the previous year	Previous year ended
		30.09.2024	30.06.2024	30.09.2023	30.09.2024	30.09.2023	31.03.2024
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
1	<b>Income</b>						
	(a) Revenue From Operations	142783.142	110822.261	6030.000	253605.403	6030.000	6030.000
	(b) Other Income	1.501	233.340	408.119	234.841	2143.119	2362.469
	<b>Total Income</b>	<b>142784.643</b>	<b>111055.601</b>	<b>6438.119</b>	<b>253840.244</b>	<b>8173.119</b>	<b>8392.469</b>
2	<b>Expenses</b>						
	(a) Cost of materials consumed	0.000	0.000	0.000	0.000	0.000	0.000
	(b) Purchases of stock-in-trade	130865.630	107837.592	0.000	238703.222	0.000	3.178
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-1123.845	-460.945	0.000	-1584.790	0.000	0.000
	(d) Employee Benefit Expenses	650.379	729.581	126.233	1379.960	724.080	1057.672
	(e) Finance Cost	1.751	1.573	0.000	3.324	0.698	3.492
	(f) Depreciation and amortisation expense	4.065	4.064	4.064	8.129	8.128	16.257
	(g) Directors Remuneration	0.000	0.000	0.000	0.000	0.000	0.000
	(h) Consultancy charges/ Professional Fees	0.000	0.000	0.000	0.000	0.000	280.819
	(i) Listing Fees	0.000	0.000	0.000	0.000	0.000	0.000
	(j) Commission	0.000	0.000	3000.000	0.000	3000.000	0.000
	(k) Travelling Expenses	0.000	0.000	0.000	0.000	0.000	0.000
	(l) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	3158.338	394.586	469.605	3552.924	703.405	1107.803
	<b>Total Expenses</b>	<b>133556.317</b>	<b>108506.451</b>	<b>3599.902</b>	<b>242062.768</b>	<b>4436.311</b>	<b>2469.221</b>
3	<b>Profit/(Loss) before exceptional items and tax (1-2)</b>	<b>9228.326</b>	<b>2549.150</b>	<b>2838.217</b>	<b>11777.476</b>	<b>3736.809</b>	<b>5923.247</b>
4	Exceptional Items	0.000	0.000	0.000	0.000	0.000	0.000
5	<b>Profit / (Loss) before tax (3-4)</b>	<b>9228.326</b>	<b>2549.150</b>	<b>2838.217</b>	<b>11777.476</b>	<b>3736.809</b>	<b>5923.247</b>
6	<b>Tax Expenses</b>						
	(a) Current Tax	0.000	0.000	0.000	0.000	0.000	300.000
	(b) Deferred Tax	0.000	0.000	0.000	0.000	0.000	105.405
	(c) Income Tax	0.000	0.000	0.000	0.000	0.000	-201.000
7	<b>Total Tax Expenses</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>204.405</b>

**AAYUSH WELLNESS LIMITED**  
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CIN: L01122DL1984PLC018307

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Contact No: +91 8448693031 Email: cs@aayushwellness.com Website: www.aayushwellness.com



8	<b>Profit/ (Loss) for a period from continuing operations (5-7)</b>	<b>9228.326</b>	<b>2549.150</b>	<b>2838.217</b>	<b>11777.476</b>	<b>3736.809</b>	<b>5718.842</b>
9	Profit/ (Loss) for a period from dis -continuing operations	0.000	0.000	0.000	0.000	0.000	0.000
10	Tax Expenses of discontinued operations	0.000	0.000	0.000	0.000	0.000	0.000
11	<b>Profit/ (Loss) for a period from dis -continuing operations (after tax) (9-10)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
12	<b>Other Comprehensive Income/ (Loss)</b>	0.000	0.000	0.000	0.000	0.000	0.000
	A) (i) Amount of items that will not be reclassified to profit or loss	0.000	0.000	0.000	0.000	0.000	0.000
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.000	0.000	0.000	0.000	0.000	0.000
	B) (i) Amount of items that will be reclassified to profit or loss	0.000	0.000	0.000	0.000	0.000	0.000
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.000	0.000	0.000	0.000	0.000	0.000
13	<b>Total Comprehensive income for the period (comprising profit/loss) and other comprehensive income for the period) (8-11-12)</b>	<b>9228.326</b>	<b>2549.150</b>	<b>2838.217</b>	<b>11777.476</b>	<b>3736.809</b>	<b>5718.842</b>
	Paid -up Equity Share Capital (Face Value of Rs. 1/- each)	32450.000	32450.000	32450.000	32450.000	32450.000	32450.000
14	<b>Earning Per Share (For continuing operations)</b>						
	(a) Basic	0.284	0.079	0.087	0.363	0.115	0.176
	(b) Diluted	0.284	0.079	0.087	0.363	0.115	0.176

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**STATEMENT OF ASSETS AND LIABILITIES FOR THE HALF YEAR ENDED ON 30.09.2024**

**(Amount in Thousands)**

Sr.No.	Particulars	STANDALONE	
		half year ended	previous year ended
		30.09.2024 (Un-Audited)	31.03.2024 (Audited)
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-Current Assets</b>		
	Property, plant and equipment	161.144	51.740
	Capital work-in-progress	0.000	0.000
	Investment property	0.000	0.000
	Goodwill	0.000	0.000
	Other intangible assets	0.000	0.000
	Intangible assets under development	0.000	0.000
	Biological assets other than bearer plants	0.000	0.000
	Investments accounted for using equity method	0.000	0.000
	<b>Non-Current Financial Assets</b>	<b>161.144</b>	<b>51.740</b>
	Non-current investments	0.000	0.000
	Trade receivables, non-current	0.000	0.000
	Loans, non-current	0.000	0.000
	Other non-current financial assets	943.610	44506.080
	<b>Total non-current financial assets</b>	<b>943.610</b>	<b>44506.080</b>
	Deferred tax assets (net)	0.000	0.000
	Other non-current assets	0.000	0.000
	<b>Total non-current assets</b>	<b>1104.754</b>	<b>44557.820</b>
<b>2</b>	<b>Current assets</b>		
	Inventories	1584.790	0.000
	<b>Current financial asset</b>		
	Current investments	0.000	0.000
	Trade receivables, current	16378.343	198.790
	Cash and cash equivalents	14718.486	506.450
	Bank balance other than cash and cash equivalents	0.000	0.000
	Loans, current	22504.770	0.000
	Other current financial assets	4719.316	4926.390
	<b>Total current financial assets</b>	<b>59905.705</b>	<b>5631.630</b>
	Current tax assets (net)	0.000	0.000
	Other current assets	0.000	0.000
	<b>Total current assets</b>	<b>59905.705</b>	<b>5631.630</b>
<b>3</b>	Non-current assets classified as held for sale	0.000	0.000
<b>4</b>	Regulatory deferral account debit balances and related deferred tax Assets	0.000	0.000
	<b>Total Assets</b>	<b>61010.459</b>	<b>50189.450</b>
	<b>Equity and liabilities</b>		
<b>1</b>	<b>Equity</b>		
	Equity attributable to owners of parent	0.000	0.000
	Equity share capital	32450.000	32450.000
	Other equity	28480.774	16703.350
	<b>Total equity attributable to owners of parent</b>	<b>60930.774</b>	<b>49153.350</b>

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	Non-controlling interest	0.000	0.000
	<b>Total equity</b>	<b>60930.774</b>	<b>49153.350</b>
<b>2</b>	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	<b>Non-current financial liabilities</b>		
	Borrowings, non-current	0.000	0.000
	Trade payables, non-current	0.000	0.000
	Other non-current financial liabilities	0.000	0.000
	<b>Total non-current financial liabilities</b>	<b>0.000</b>	<b>0.000</b>
	Provisions, non-current	0.000	0.000
	Deferred tax liabilities (net)	0.000	0.000
	Deferred government grants, non-current	0.000	0.000
	Other non-current liabilities	0.000	0.000
	<b>Total non-current liabilities</b>	<b>60930.774</b>	<b>49153.350</b>
	<b>Current liabilities</b>		
	Current financial liabilities	0.000	0.000
	Borrowings, current	0.000	0.000
	Trade payables, current	168.147	0.000
	Other current financial liabilities	0.000	0.000
	<b>Total current financial liabilities</b>	<b>61098.920</b>	<b>49153.350</b>
	Other current liabilities	-721.345	403.230
	Provisions, current	300.000	300.000
	Current tax liabilities (Net)	0.000	0.000
	Deferred government grants, Current	332.884	332.880
	<b>Total current liabilities</b>	<b>-88.461</b>	<b>1036.110</b>
<b>3</b>	Liabilities directly associated with assets in disposal group classified as held for sale	0.000	0.000
<b>4</b>	Regulatory deferral account credit balances and related deferred tax liability	0.000	0.000
	<b>Total liabilities</b>	<b>-88.461</b>	<b>1,036.110</b>
	<b>Total Equity and Liabilities</b>	<b>61010.459</b>	<b>50189.450</b>

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**CASH FLOW STATEMENT AS ON 30.09.2024**

**(Amount in Thousands)**

<b>Particulars</b>	<b>as on 30.09.2024</b>	<b>as on 31.03.2024</b>
<b>Cash flow from operating activities</b>		
Profit/(loss) before tax from		
- Continuing Operations	11777.476	5923.250
-Discontinued Operations		
Prior period adjustment	0.000	-632.000
<b>Profit before Income Tax including discontinued operations</b>	<b>11777.476</b>	<b>5291.250</b>
<b>Adjustments For:</b>		
Depreciation and amortisation expense	8.129	16.260
Provision for Adjustments	0.000	0.000
Interest income	0.000	0.000
Finance cost	0.000	0.000
(Profit)/loss on sale of investments	0.000	0.000
Gain on mark to market of investments	0.000	0.000
(Profit)/loss on sale of property, plant and equipment (net)	0.000	0.000
Net (gain)/loss on foreign currency transactions and translation	0.000	0.000
Provision for capital work in progress	0.000	0.000
Deferred Government grant transferred	0.000	0.000
<b>Change in operating assets and liabilities</b>		
(Increase)/Decrease in inventories	-1584.790	0.000
Increase/(Decrease) in trade payables	168.147	0.000
(Increase)/Decrease in other Liabilities	-1,124.575	-376.930
(Increase)/Decrease in trade receivables	-16179.553	13016.840
(Increase)/Decrease in Other Current Assets	207.074	4,008.000
Increase/(Decrease) in Short Term loans & Advances	-22504.770	-28062.000
Increase/(Decrease) in other liabilities	0.000	227.880
Increase/(Decrease) in provisions	-0.500	300.000
(Increase)/Decrease in other Non Current Assets	43562.470	0.000
<b>Sub-Total</b>	<b>2551.631</b>	<b>-10869.950</b>
<b>Cash generated from operations</b>	<b>14329.107</b>	<b>-5578.700</b>
Net Income taxes (paid) / refunds	0.000	-99.000
<b>Net cash inflows from operating activities</b> <b>A</b>	<b>14329.107</b>	<b>-5677.700</b>
<b>Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipments including capital advances	-117.110	0.000
Sale of property, plant and equipments	0.000	0.000
Purchases of investments	0.000	0.000
Sale of investments	0.000	0.000
Interest received	0.000	0.000
Bank balances not considered as cash and cash equivalents	0.000	0.000

**AAYUSH WELLNESS LIMITED**

**(Formerly known as Aayush Food and Herbs Limited)**

**CIN: L01122DL1984PLC018307**

**Registered Office: 55, 2<sup>nd</sup> Floor, Lane 2, Westend Marg, Saidullajab, Near Saket Metro Station, New Delhi, Delhi 110030**

**Contact No: +91 8448693031 Email: cs@aayushwellness.com Website: www.aayushwellness.com**



-Deposits placed		0.000	0.000
-Deposits matured		0.000	0.000
Loans and advances recovered		0.000	0.000
<b>Net cash outflow from investing activities</b>	<b>B</b>	<b>-117.110</b>	<b>0.000</b>
<b>Cash flow from financing activities</b>			
Proceeds from long-term borrowings		0.000	0.000
Proceeds from short term borrowings		0.000	0.000
Repayment of long-term borrowings		0.000	0.000
Repayment of short-term borrowings		0.000	0.000
<b>Net cash outflow in financing activities</b>	<b>C</b>	<b>0.000</b>	<b>0.000</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>A+B+C</b>	<b>14211.997</b>	<b>-5677.700</b>
<b>Cash and cash equivalents as at the beginning of the year</b>		<b>506.490</b>	<b>6184.190</b>
<b>Cash and cash equivalents as at the End of the year</b>		<b>14718.487</b>	<b>506.490</b>



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# Bakliwal & Co.

## Chartered Accountants

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### **LIMITED REVIEW REPORT**

**As per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

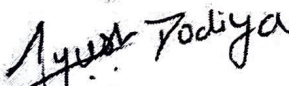
To,  
**The Board of Directors,  
Aayush Wellness Limited  
55, 2nd Floor, Lane 2, Westend Marg,  
Saidullajab, Near Saket Metro Station,  
New Delhi, Delhi 110030.**

We have reviewed the accompanying statement of Standalone Un-Audited Financial results of **Aayush Wellness Limited** for the half year ended on 30<sup>th</sup> September 2024. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M/s. Bakliwal & Co.,  
Chartered Accountants  
Firm Reg. No.: 130381W

  
Aayush Dodiya  
Partner

M. No.: 181925

UDIN: 24181925 BKXCWX2889

Place: Mumbai

Date: 13.11.2024

**Bakliwal & Co.**  
**Chartered Accountants**  
**Jaipur**  
**FRN. 130381W**

**Address: 111, First Floor, Balaji Tower VI, Nr, Radisson Blue Hotel, Mata Colony, Durgapura, Jaipur (Raj) - 302018**

**Ph. 0141-4016293, E: info.jaipur@bakliwalca.com, W: www.bakliwalca.com**

**Head Office.: 412, Atlanta Estate, Near Virwani Estate, Goregaon (E), Mumbai - 400 063**

**Ph. 022-29271661, 022-40169046, W: www.bakliwalca.com**





**Notes:**

1. The Un-audited financial statement for the half year ended on September 30, 2024 has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 13, 2024.
2. The statement has been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
3. The Statutory Auditors have carried out Limited Review of the financial results for the quarter and half year ended on 30th September 2024 in compliance with terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
4. As the Company's business activity falls within a single primary business segment, the disclosure requirements as per Ind-AS 108 "operating segments" are not applicable.
5. Provision for taxes, if any, shall be made at the end of the year.
6. Previous period figures have been re-grouped and re-classified wherever necessary.

**For Aayush Wellness Limited**  
*(Formerly known as Aayush Food and Herbs Limited)*

**Naveenakumar Kunjaru**  
**Managing Director**  
**DIN: 07087891**

**AAYUSH WELLNESS LIMITED**  
**(Formerly known as Aayush Food and Herbs Limited)**

**CIN: L01122DL1984PLC018307**

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## INDEPENDENT AUDITOR'S REPORT

To,  
The members of  
Aayush Food and Herbs Limited,  
55, 2nd Floor, Lane 2, Westend Marg,  
Saidullajab, Near Saket Metro Station,  
New Delhi, Delhi - 110 030.

### Report on Audit of Ind AS Standalone Financial Statements

#### Opinion

We have audited the accompanying Ind AS Standalone Financial Statements of **AAYUSH FOOD AND HERBS LIMITED ('the Company')**, which comprise the balance sheet as at March 31, 2024, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year the period April 01, 2023 to March 31, 2024 and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, aforesaid Ind AS Standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company for the period April 01, 2023 to March 31, 2024, the Profit and other comprehensive income, changes in equity and its cash flows for the year ended March 31, 2024.

#### Basis for Opinion

We conducted our audit of the Ind AS Standalone Financial Statements in accordance with the Standards on Auditing (SAs) 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 Ind AS Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Ind AS Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Standalone Financial Statements.

#### Key Audit Matters

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

#### Principal Audit Procedures

Our audit consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

We evaluated the design of internal controls relating to revenue recognition.

We selected sample of Sales transactions and tested the operating effectiveness of the internal control relating to revenue recognition.

We carried out a combination of procedures involving enquiry and observation, re performance and inspection.

We have tested sample of Sale transactions to their respective customer contracts, underlying invoices and related documents.

We have performed cut-off procedures for sample of revenue transactions at year-end in order to conclude on whether they were recognized in accordance with Ind-AS 115.

#### Other Information – Information other than financial statement and Auditor's Report thereon

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

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the 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 communicate the matter to those charged with Governance. We have nothing to report in this regard.

## **Responsibility of Management for Ind AS Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 Ind AS Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone 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 SAs 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 Standalone Financial Statements.

**As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:**

Identify and assess the risks of material misstatement of the Standalone 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 management's 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 Company's ability 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 Standalone 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 Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in the aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced.

We consider quantitative materiality and qualitative factors in planning the scope of our audit work and in evaluating the results of our work, and to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

### **2. As required by section 143(3) of the Act, we report that:**

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;

In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

The Balance Sheet, the Statement of Profit and Loss Including other comprehensive income, the Cash Flow Statement, and the statement of change in equity dealt with by this Report are in agreement with the books of account;

In our opinion, the aforesaid Ind AS Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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, in our opinion and to the best of our information and according to the explanations given to us:

The Company has disclosed the impact of pending litigations in its financial position in the Ind AS Standalone Financial Statements.

The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

The company was not required to transfer any amount to Investor Education and Protection Fund during the financial year.

The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding whether recorded in writing or not that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such company 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 guarantee, security or the like on behalf of the Ultimate beneficiaries.

Based on the audit procedures performed, we report that nothing has come to the notice that has caused us to believe that the representations given under sub-clause (i) and (ii) by the management contain any material mis-statement.

Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended on March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended on March 31, 2024.

No dividend has been declared or paid by the Company during the year.

**For TDK & Co.**  
**Chartered Accountants**  
**Firm Reg. No: 189804W**

**Neelanj Shah**  
**Partner**  
**Membership No.: 121057**  
**UDIN: 24121057BKECOR6931**

**Date: 30/05/2024**  
**Place: Mumbai**

## **Annexure 'A' to Independent Auditors' Report**

**(Referred to Para 1 under the heading on "Report on Other Legal and Regulatory Requirements" section of our report of even date to the members of Aayush Food and Herbs Limited for the year ended March 31, 2024)**

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year at reasonable intervals having regard to the size of the company and nature of its business. No material discrepancies were noticed on such physical verification.
- (c) As explained to us, there is no immovable property held by the company.
- (d) The Company has not revalued any of its Property, Plant and Equipments and Intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

The company does not have any inventory. Hence, clause (ii) (a) & (b) are not applicable to the Company.

During the year the Company has provided loans or advances in the nature of advances in the ordinary course of business, to the parties other than subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013.

During the year the investments made are not prejudicial to the Company's interest.

The Company has not granted loans during the year. Therefore Clause 3(iii)(c) of the Order is not applicable.

There are no amounts of loans granted to companies which are overdue for more than ninety days.

There were no loans that had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

According to the information and explanations given to us, during the year the transactions done by the company as specified in the provisions of sections 185 and 186 of the Companies Act, 2013 are as per the rules and provisions of the Act.

According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.

According to the information and explanations given to us, the Company is not covered under Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Act, hence this clause is not applicable to the Company.

In respect to Statutory dues:

- (a) According to the information and explanations given to us and on the basis of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employee's State Insurance, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues with the appropriate authorities.

As provided to us by the management, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, are Nil.

- (b) According to the information and explanations given to us, there are no dues of Income Tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

a) The Company has not defaulted in repayment of loans or other borrowings taken from the banks. The Company has not taken loans from financial institutions and Government.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or other lender.

c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

d) On an overall examination of the financial statements of the Company, no funds were raised on short-term basis and neither they have been, used during the year for long-term purposes by the Company.

f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities.

Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised money by way of initial public offer or further public offer including debt instruments and term loans. Also, Company has not made any preferential allotment or private placement of the shares or convertible debentures (fully or partly or optionally). Accordingly, the provisions of clause 3(x) of the order are not applicable to the company and hence not commented upon.

(a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS Standalone Financial Statements as required by the applicable Indian accounting standards.

a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year, in determining the nature, timing and extent of our audit procedures.

In our opinion and according to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.

b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year.

c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India,

d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

There has been no resignation of the statutory auditors of the company during the financial year.

On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

a) Corporate Social Responsibility (CSR) is not applicable to the company, hence, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

b) The Company does not have ongoing projects relating to CSR. Hence reporting under clause 3(xx)(b) of the Order is not applicable.

**For TDK & Co.**  
**Chartered Accountants**  
**Firm Reg. No: 189804W**

**Neelanj Shah**  
**Partner**  
**Membership No.: 121057**  
**UDIN: 24121057BKECOR6931**

**Date: 30/05/2024**  
**Place: Mumbai**

## **Annexure 'B' to Independent Auditors' Report**

**(Referred to Para 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" section of our report of even date to the members of Aayush Food and Herbs Limited for the year ended March 31, 2024)**

Report on the Internal Financial Controls Over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of AAYUSH FOOD AND HERBS LIMITED ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS Standalone Financial Statements of the Company for the year ended on that date.

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 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 (the "Guidance Note").

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (ICAI). 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 its business, including adherence to 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 Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls over Financial Reporting, both applicable to an audit of the Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes 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 Standalone Financial Statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For TDK & Co.  
Chartered Accountants  
Firm Reg. No: 189804W**

**Neelanj Shah  
Partner  
Membership No.: 121057  
UDIN: 24121057BKECOR6931**

**Date: 30/05/2024  
Place: Mumbai**

**Standalone Balance Sheet as at March 31, 2024**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	0.52	0.68
<b>Financial assets</b>			
• Investment	3	-	-
• Other financial assets	4	445.06	164.44
Deferred tax assets	5	-	-
Other non-current assets	6	-	-
		<b>445.58</b>	<b>165.12</b>
<b>Current assets</b>			
Inventories	7	-	-
<b>Financial assets</b>			
• Investments	3	-	-
• Trade receivable	8	1.99	132.16
• Cash and cash equivalents	9	5.06	61.84
Current Income tax assets (net)		-	2.03
Other current assets	6	49.26	87.31
		<b>56.31</b>	<b>283.34</b>
<b>Total Assets</b>		<b>501.89</b>	<b>448.47</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	324.50	324.50
Other equity	12	167.03	116.17
		<b>491.53</b>	<b>440.67</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
• Borrowings	13	-	-
• Trade payables	14	-	-
Deferred tax liability		3.33	-
Other current liabilities	15	4.03	7.79
Provisions	16	3.00	-
		<b>10.36</b>	<b>7.79</b>
<b>Total Liabilities</b>		<b>501.89</b>	<b>448.47</b>
Corporate information and significant accounting policies	1 & 2		

The notes referred to above form an integral part of financial statements

As per our report of even date attached

For T D K & Co.

Chartered Accountants

FRN: 109804W

Sd/-

Neelanj Shah

Partner

Membership No.: 121057

UDIN: 24121057BKECOR6931

Date: May 30, 2024

Place: Mumbai

For Aayush Food and Herbs Limited

Gavadu Patil

Sd/-

Chairman

DIN: 10346018

Naveenakumar Kunjaru

Sd/-

Managing Director

DIN: 07087891

Surajmal Jain

Sd/-

Chief Financial

Officer

Urmi Shah

Sd/-

Company Secretary

and Compliance

Officer

**Standalone Statement of Profit and Loss for the year ended March 31, 2024**

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
<b>Income</b>			
Revenue from operations	17	60.30	810.21
Other income	18	23.62	54.63
<b>Total Income</b>		<b>83.92</b>	<b>864.84</b>
<b>Expenses</b>			
Purchases of Stock-in-Trade	19	0.03	123.37
Changes in inventories of goods	20	-	636.04
Employee benefit expense	21	10.58	34.70
Depreciation and amortisation expenses	7	0.16	3.02
Finance costs	22	0.03	6.33
Administrator & Other expenses	23	13.89	96.08
<b>Total expenses</b>		<b>24.69</b>	<b>899.54</b>
<b>Profit before tax and extraordinary and exceptional items</b>		<b>59.23</b>	<b>(34.70)</b>
Add/Less: Exceptional Items	24	-	-
<b>Profit before tax and after extraordinary and exceptional items</b>		<b>59.23</b>	<b>(34.70)</b>
<b>Tax expenses</b>			
• Income Tax - current year		3.00	(0.27)
• Income Tax - earlier year		(2.01)	-
• Deferred tax Asset/(Liability)		1.05	-
<b>Profit (Loss) for the period from continuing operations</b>		<b>57.18</b>	<b>(34.43)</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss (net of tax)		-	-
(ii) Items that will be reclassified to profit or loss (net of tax)		-	-
<b>Total Comprehensive Income for the period and Other Comprehensive Income</b>		<b>57.18</b>	<b>(34.43)</b>
<b>Earnings per share (equity shares, par value Rs. 10 each)</b>			
• Basic	26	1.76	(1.06)
Corporate information and significant accounting policies	1 & 2		

The notes referred to above form an integral part of financial statements

For T D K & Co.

Chartered Accountants

FRN: 109804W

Sd/-

Neelanj Shah

Partner

Membership No.: 121057

UDIN: 24121057BKECOR6931

Date: May 30, 2024

Place: Mumbai

For Aayush Food and Herbs Limited

Gavadu Patil

Naveenakumar Kunjaru

Surajmal Jain

Urmil Shah

Sd/-

Chairman

DIN: 10346018

Sd/-

Managing Director

DIN: 07087891

Sd/-

Chief Financial

Officer

Sd/-

Company Secretary

and Compliance

Officer

**Standalone Statement of cash flows for the year ended March 31, 2024**

(All amounts in INR Lakhs, unless otherwise stated)

	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Cash flow from operating activities</b>		
Profit for the period	59.23	(34.70)
Adjustments for:		
Prior period	(6.32)	-
(Profit)/loss on sale of investments	-	(7.20)
Depreciation and amortization expense	0.16	3.02
Operating Profit Before Working Capital Changes	53.08	(38.88)
<b>Changes in operating assets and liabilities</b>		
(Increase)/Decrease in inventories	-	636.04
Increase/(Decrease) in trade payables	-	(77.91)
(Increase)/Decrease in other Liabilities	(3.76)	(58.24)
(Increase)/Decrease in trade receivables	130.17	157.13
(Increase)/Decrease in Other Current Assets	40.08	(153.96)
Increase/(Decrease) in Short Term loans & Advances	(280.62)	-
Increase/(Decrease) in DTL	2.27	-
Increase/(Decrease) in Short Term provisions	3.00	-
(Increase)/Decrease in Advance Tax & TDS	-	-
Net cash provided by operating activities before taxes	(55.77)	464.18
Income taxes paid	(0.99)	(2.38)
Net cash provided by operating activities	(56.77)	461.80
<b>Cash flow from investing activities</b>		
Sale of property, plant and equipments	-	17.86
Purchases of investments	-	-
Interest received / Dividend Received	-	-
Purchase of FA	-	-
Net cash used in investing activities	-	17.86
<b>Cash flow from financing activities</b>		
Finance costs paid	-	-
Issuance of Equity Shares	-	-
Loans and advances & others	-	-
Proceeds/(Repayment) for short-term borrowings	-	(494.90)
Net cash used in financing activities	-	(494.90)
Net decrease in cash and cash equivalents	(56.78)	(15.24)
Cash and cash equivalents at the beginning of the year	61.84	77.08
Cash and cash equivalents at the end of the period (Note 14)	5.06	61.84

Corporate information and significant accounting policies (refer note 1&2)

The notes referred to above form an integral part of financial statements

For T D K & Co.

Chartered Accountants

FRN: 109804W

Sd/-

Neelanj Shah

Partner

Membership No.: 121057

UDIN:24121057BKECOR6931

Date: May 30, 2024

Place: Mumbai

For Aayush Food and Herbs Limited

Gavadu Patil

Sd/-

Chairman

DIN: 10346018

Naveenakumar Kunjaru

Sd/-

Managing Director

DIN: 07087891

Surajmal Jain

Sd/-

Chief Financial

Officer

Urmi Shah

Sd/-

Company Secretary

and Compliance

Officer

Standalone Statement of Changes in Equity for the year ended March 31, 2024

(All amounts in INR Lakhs, unless otherwise stated)

A. Equity Share Capital

Particulars	Number	Amount
Balance at the end of the year 31 <sup>st</sup> March 2023	32,45,000	32,450.00
Changes in equity share capital during the F.Y. 2023-24	-	-
Balance at the end of the year 31 <sup>st</sup> March 2024	32,45,000	32,450.00

B. Other Equity

Particulars	Reserves & Surplus				Other Comprehensive Income	Total other equity
	Statutory Reserve	Securities Premium	Share Premium	Retained Earnings		
Balance at the end of the reporting period 31 March 2022	-	75.00	-	75.49	-	150.49
Profit for the financial year 2022-23				(34.43)		(34.43)
Earlier Tax Adjustment				0.11		0.11
Balance at the end of the reporting period 31 March 2023	-	75.00	-	41.17		116.17
Profit for the financial year 2023-24				57.18	-	57.18
Earlier year adjustment made				(6.32)		(6.32)
Balance at the end of the reporting period 31 March 2024	-	75.00	-	92.03	-	167.03

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR Lakhs, unless otherwise stated)

	Particulars	As at 31 March 2024	As at 31 March 2023
3	Investments	-	-
	<b>Total</b>	-	-

	Particulars	As at 31 March 2024	As at 31 March 2023
4	Other financial assets- non-current		
	<i>Secured considered good, measured at amortized cost</i>	-	-
	Loans and advances	445.06	164.44
	Security Deposit	-	-
	Less: Provision for expected credit loss	-	-
	<b>Total</b>	445.06	164.44

	Particulars	As at 31 March 2024	As at 31 March 2023
5	Deferred tax asset		
	Property, plant & equipment on OCI	-	-
	<b>Total</b>	-	-

	Particulars	As at 31 March 2024	As at 31 March 2023
6	Other non-current assets, measured at cost		
	Mat Credit	-	-
	TDS Receivable	-	-
	<b>Total</b>	-	-
	Other current assets, measured at cost		
	Security Deposit	1.95	1.71
	FDR	-	-
	Prepaid expenses	-	-
	Employee Advance	-	0.59
	Duty Draw Back Receivable	0.96	0.96
	Service Tax Receivable	0.71	0.71
	Interest Accrued	0.05	0.05
	TDS Recoverable	6.45	3.44
	Others	-	15.13
	GST Refundable	39.14	64.75
	<b>Total</b>	49.26	87.31

	Particulars	As at 31 March 2024	As at 31 March 2023
7	Inventories, measured at cost or net-realizable value whichever is lower		
	Stock-in-trade	-	-
	<b>Total</b>	-	-

8	Particulars	As at	
		31 March 2024	31 March 2023
	Trade receivables, measured at amortized cost		
	Un-secured, considered good		
	a) Outstanding for a period exceeding Six months	1.99	132.16
	b) Outstanding for a period less Six months	-	-
	Secured, considered good	-	-
	Doubtful	-	-
	Provision for doubtful debts	-	-
	<b>Total</b>	<b>1.99</b>	<b>132.16</b>

9	Particulars	As at	
		31 March 2024	31 March 2023
	Cash and cash equivalents		
	Cash on hand	0.40	0.39
	Balances with banks		
	- in current accounts		
	Union Bank of India	-	0.67
	Kotak Mahindra Bank	-	51.27
	Axis Bank	1.00	1.89
	Indusind Bank	-	7.43
	IDFC bank	3.66	-
	UCO Bank	-	0.19
	<b>Total</b>	<b>5.06</b>	<b>61.84</b>

11	Particulars	As at	
		31 March 2024	31 March 2023
	Equity		
	Authorised capital		
	35,00,000 equity shares of Rs 10/- each	350.00	350.00
	Issued, subscribed and paid-up		
	3245000 equity shares of Rs 10/- each	324.50	324.50
	<b>Total</b>	<b>324.50</b>	<b>324.50</b>

a) Equity shareholders holding more than 5 percent shares in the Company:					
Name of the shareholder	As at		As at		
	31 March 2024		31 March 2023		
	No. of Share	%	No. of Share	%	
Avance Ventures Private Limited	7,81,362	24.08	-	-	
Skybridge Incap Advisory LLP	6,44,404	19.86	3,01,827	9.30	
V Cats Consultancy LLP	4,35,590	13.42	-	-	
Send Grid Consultancy LLP	1,50,000	4.62	1,50,000	4.62	
Tvisha Corporate Advisors LLP	1,09,610	3.38	-	-	
b) Reconciliation of the number of shares outstanding at the beginning and at the end of the year is as given below:					
Particulars	As at		As at		
	31 March 2024		31 March 2023		
	No. of Share	Amount	No. of Share	Amount	
Number of equity shares outstanding at the beginning of the year	32,45,000	32,450	32,45,000	32,450	
Number of equity shares (BONUS) issued during the year	-	-	-	-	
Number of equity shares outstanding at the end of the year	32,45,000	32,450	32,45,000	32,450	

	Particulars	As at 31 March 2024	As at 31 March 2023
12	<b>Other Equity</b>		
(i)	<b>Securities premium reserve</b>		
	Opening	75.00	75.00
	Addition/(Deletion)	0.00	0
	Closing	75.00	75.00
(ii)	<b>Retained Earnings</b>		
	Surplus/(Deficit) in the statement of profit and loss		
	Opening balance	41.17	75.49
	Add: Profit for the year	57.18	(34.43)
	Less: Earlier year adjustment made	(6.32)	
	Add: Earlier Tax Adjustment		(0.11)
		92.03	41.17
	<b>Total</b>	<b>167.03</b>	<b>116.17</b>

	Particulars	As at 31 March 2024	As at 31 March 2023
13	<b>Borrowings</b>		
	Unsecured loan	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

	Particulars	As at 31 March 2024	As at 31 March 2023
14	<b>Trade payables</b>		
	Dues to Micro, Small and Medium Enterprises	-	-
	Others	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
	The Company has not received any memorandum (as required to be filed by the Supplier with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31 <sup>st</sup> March 2024 as Micro, Small or Medium Enterprises. Consequently, the amount paid / payable to these parties during the year as at March 31,2024: NIL		

	Particulars	As at 31 March 2024	As at 31 March 2023
15	<b>Other current liabilities</b>		
	Expenses Payable	3.41	3.59
	Audit Fee Payable	0.3	3.6
	ESIC/EPF payable	0	0.07
	TDS PAYABLE	0.32	0.53
	<b>Total</b>	<b>4.03</b>	<b>7.79</b>

	Particulars	As at 31 March 2024	As at 31 March 2023
16	<b>Current Tax Liabilities (Net)</b>		
	Provision for Audit Fees	-	-
	Provision for Income Tax	3.00	-
	<b>Total</b>	<b>3.00</b>	<b>0.00</b>

	Particulars	As at 31 March 2024	As at 31 March 2023
17	<b>Revenue from operations</b>		
	Revenue from operation (gross)	60.30	810.21
	<b>Total</b>	<b>60.30</b>	<b>810.21</b>



	Particulars	As at 31 March 2024	As at 31 March 2023
18	<b>Other income</b>		
	Interest Income	23.62	-
	Short & Excess	-	0.16
	Sale of Licence	-	-
	Amount W/o	-	30.34
	Misc. Income	-	16.93
	Profit on sale of fixed asset	-	7.20
	<b>Total</b>	<b>23.62</b>	<b>54.63</b>

	Particulars	As at 31 March 2024	As at 31 March 2023
19	<b>Purchases</b>	<b>0.03</b>	<b>123.37</b>
	<b>Total</b>	<b>0.03</b>	<b>123.37</b>

	Particulars	As at 31 March 2024	As at 31 March 2023
20	<b>Change in stock-in-trade</b>		
	Opening stock	-	636.04
	Closing stock	-	-
	<b>Total</b>	<b>-</b>	<b>636.04</b>

	Particulars	As at 31 March 2024	As at 31 March 2023
21	<b>Employee benefits expense</b>		
	Salaries and wages (Including Bonus)	6.69	20.40
	Director's Remuneration	3.30	13.20
	Staff welfare expenses	0.59	1.10
	<b>Total</b>	<b>10.58</b>	<b>34.70</b>

	Particulars	As at 31 March 2024	As at 31 March 2023
22	<b>Finance cost</b>		
	Interest expense	-	6.32
	Bank Charges	0.03	0.01
	<b>Total</b>	<b>0.03</b>	<b>6.33</b>

	Particulars	As at 31 March 2024	As at 31 March 2023
23	<b>Administrator &amp; Other expenses</b>		
	Advertising Expenses	0.81	1.06
	Audit Fee	0.30	4.00
	Conveyance Expenses	0.15	1.17
	Electricity Expenses	0.12	0.88
	Legal and Professional expenses	2.81	0.60
	Travelling Expenses	0.02	0.23
	Office Expenses	0.27	2.03
	Printing & Stationary	0.11	0.28
	Insurance Transit	-	7.02
	Fees & Subscription	4.61	5.13
	Postage & Courier Expenses	0.00	0.15
	Domain Expenses	0.40	0.33
	Telephone Expenses	0.23	0.74
	Casual labour	-	1.19
	Rent Paid	1.33	2.73

	Freight & Cartage	0.03	4.84
	Freight & Forwarding (Inward)	-	1.78
	Labour Expenses	-	0.39
	Repair & Maintenance	0.33	0.70
	Milling Expenses	-	3.92
	Storage Expenses	-	3.23
	Water Expenses	0.02	0.14
	Brokerage	0.10	-
	Sponsorship Fees	2.00	-
	Website Charges	0.06	-
	Amount Written off	-	52.73
	Misc Expenses	0.00	0.06
	Admin Charges	0.03	0.67
	ROC exp	0.14	0.08
	<b>Total</b>	<b>13.89</b>	<b>96.08</b>

	Particulars	As at 31 March 2024	As at 31 March 2023
24	<b>Exceptional Items</b>		
	Provision for diminution in value of investments	-	-
	Provision for diminution in value of investments	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
	<b>Contingent liabilities and commitments</b>		
	Income tax demand & disputes pending before appellate authorities (refer note below)	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

Auditors' remuneration excluding applicable tax			
25	Particulars	As at 31 March 2024	As at 31 March 2023
	As auditor		
	- Audit Fees	30.00	35.40
	- Tax Audit Fees	0.00	0.00
	<b>Total</b>	<b>30.00</b>	<b>35.40</b>

Earnings per share			
26	The following table sets forth the computation of basic and diluted earnings per share:		
	Particulars	As at 31 March 2024	As at 31 March 2023
	Net profit for the year attributable to equity shareholders	57.18	(34.43)
	Weighted average number of equity shares of Rs 1 each used for calculation of basic earnings per share (adjusted for partly paid shares)	32	32
	Earnings per share, basic and diluted*	1.76	(1.06)
	*The Company has no potentially dilutive equity shares		

27	Related party transaction
(i)	Names of related parties and description of relationship: 1. Gavadu Patil - Chairman & Non-Executive Director 2. Naveenakumar Kunjara - Managing Director 3. Pallavi Mittal - Non-Executive Director 4. Vishakha Umesh Jadhav - Independent Director 5. Lalitkumar Anande - Independent Director 6. Urmi Shah - CS 7. Surajmal Jain - CFO

(ii)	Related party transactions:		
	Particulars	As at 31 March 2024	As at 31 March 2023
	Salary to Urmi Shah	2.51	-
(iii)	Amounts outstanding as at the balance sheet date:		
	Particulars	As at 31 March 2024	As at 31 March 2023
		-	-

28	Income tax			
	Income tax expense in the statement of profit and loss consists of:			
	Statement of profit or loss	For the year ended		
		March 31, 2024	March 31, 2023	March 31, 2022
	Current income tax:			
	In respect of the current period	3.00	(0.27)	-
	Deferred tax			
	In respect of the current period	-	-	-
	Income tax expense reported in the statement of profit or loss	3.00	(0.27)	-
	Income tax recognised in other comprehensive income			
	- Deferred tax arising on income and expense recognised in other comprehensive income	-	-	-
	<b>Total</b>	<b>3.00</b>	<b>(0.27)</b>	<b>-</b>
	The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:			
		For the year ended		
		March 31, 2024	March 31, 2023	March 31, 2022
	Profit before tax	59.23	(34.70)	(1,654.80)
	Enacted income tax rate in India	25.75%	25.75%	25.75%
	Computed expected tax expense	15.25	(8.94)	-
	Effect of:			
	Tax (credit) / paid as per book profit	-	-	-
	Expenses disallowed for tax purpose	-	-	-
	Others	-	-	-
	<b>Total income tax expense</b>	<b>15.25</b>	<b>(8.94)</b>	<b>-</b>

29	Financial instruments		
	The carrying value and fair value of financial instruments by categories are as below:		
		Carrying value	
	Financial assets	March 31, 2024	March 31, 2023
	Fair value through profit and loss		
	Investment	-	-
	Amortised cost		
	Loans and advances (^)	445.06	164.44
	Receivable others (^)	-	-
	Trade receivable (^)	2	132
	Cash and cash equivalents (^)	5.06	61.84
	Unsecured Loan given to third party (^)	-	-
	Staff advance (^)	-	-
	<b>Total assets</b>	<b>452.11</b>	<b>358.44</b>
	Financial liabilities		
	Amortised cost		

Borrowings (^)	-	-
Trade and other payables (^)	-	-
Other financial liabilities (^)	-	-
<b>Total liabilities</b>	-	-
<b>Fair value hierarchy</b>		
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.		
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).		
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).		
(*) The fair value of these investment in equity shares are calculated based on discounted cash flow approach for un-quoted market instruments which are classified as level III fair value hierarchy.		
(^) The carrying value of these accounts are considered to be the same as their fair value, due to their short-term nature. Accordingly, these are classified as level 3 of fair value hierarchy.		

Disclosure of ratios						
Ratios	Formula	AY 24-25		AY 23-24		%Change
1. Current Ratio	Current Assets	56	5.43	283	36.37	-85%
	Current Liabilities	10		8		
2. Debt- Equity Ratio	Total long-term debts	-	NA	-	NA	NA
	Total shareholder's fund	492		441		
3. Debt Service Coverage Ratio	Net operating Income	59	NA	(35)	NA	NA
	Total Debt	-		-		
4. Return on Equity	Net gross profit after taxes	57	0.116	(34)	(0.078)	249%
	Average equity shareholder's fund	492		441		
5. Inventory Turnover Ratio	Sales/Turnover	60	NA	810	NA	NA
	Average inventory	-		-		
6. Trade Receivable Turnover Ratio	Credit Sales	60	30.33	810	6.13	395%
	Average trade receivables	2		132		
7. Trade Payable Turnover Ratio	Credit Purchases	0	NA	123	NA	NA
	Average trade payables	-		-		
8. Net Capital Turnover Ratio	Total turnover	60	2.62	810	5.88	-55%
	Average working capital	23		138		
9. Net Profit Ratio	Net Profit	59	0.98	(35)	(0.04)	-2394%
	Turnover	60		810		
10. Return on Capital Employed (Pre-Tax)	Earnings before interest and taxes	59	0.12	(35)	(0.08)	-253%
	Capital employed	492		441		
11. Return on Investment	Net Income	59	NA	(35)	NA	NA
	Investment	-		-		

Reason for change in ratios by more than 25%:	
Name of Ratio	Reason for change
Return on Equity	The Return on Equity has increased by 249% which is better as higher the ROE, the better a company is at converting its equity financing into profits.
Trade Receivable Turnover Ratio	Trade Receivable Turnover Ratio is increased by 395% which is better as company is able to collect fund from debtors.
Net Capital Turnover Ratio	The Net Capital Turnover Ratio has decreased by 94% which is negative as lower the ratio, the lower is the utilization of capital employed in the business.
Return on Capital Employed (Pre-Tax)	The Return on Capital Employed (Pre-Tax) has increased by 25% which is better as higher the Return on Capital Employed, the better a company is at converting its capital employed into profits.

Note 7: Property, Plant & Equipment and Intangible Assets Tangible Assets

(Currency: Indian Rupees in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As on 01.04.2023	Addition during the year	Deletion	As on 31.03.2024	As on 01.04.2023	For the year	Deletion	As on 31.03.2024	As on 01.04.2023	As on 31.03.2024
Intangible	0.05	-	-	0.05	0.04	0.00	-	0.04	0.01	0.01
Plant & Machinery	7.77	-	-	7.77	7.30	0.11	-	7.41	0.47	0.36
Furniture & Fixture	3.22	-	-	3.22	3.02	0.05	-	3.07	0.20	0.15
<b>Total</b>	<b>11.04</b>	<b>-</b>	<b>-</b>	<b>11.04</b>	<b>10.36</b>	<b>0.16</b>	<b>-</b>	<b>10.52</b>	<b>0.68</b>	<b>0.52</b>

Particulars	Gross Block				Depreciation				Net Block	
	As on 01.04.2022	Addition during the year	Deletion	As on 31.03.2023	As on 01.04.2022	For the year	Deletion	As on 31.03.2023	As on 01.04.2022	As on 31.03.2023
Intangible	0.05	-	-	0.05	0.03	0.01	-	0.04	0.02	0.01
Plant & Machinery	27.39	-	19.62	7.77	16.08	2.94	11.72	7.30	11.31	0.47
Furniture & Fixture	3.22	-	-	3.22	2.95	0.07	-	3.02	0.27	0.20
<b>Total</b>	<b>30.66</b>	<b>-</b>	<b>19.62</b>	<b>11.04</b>	<b>19.06</b>	<b>3.02</b>	<b>11.72</b>	<b>10.36</b>	<b>11.60</b>	<b>0.68</b>

## Company Overview and Significant Accounting Policies

### 1. Company Overview

M/s Aayush Wellness Limited (Formerly known as Aayush Food and Herbs Limited) (the "Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act 1956 then applicable in India. The registered office of the company is situated at 55, 2<sup>nd</sup> Floor, Lane 2, Westend Marg, Saidullajab, Near Saket Metro Station, New Delhi, Delhi, 110030.

The financial statements were authorised to be issued in accordance with a resolution of the directors on May 30, 2024.

### 2. Significant Accounting policies

#### 2.1 Statement of Compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS").

#### 2.2 Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, and presentation requirements of Schedule III to the Act under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. The statement of cash flows has been prepared under indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

#### 2.3 Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical Judgments** In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

**Contingences and commitments:** In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, company treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, company do not expect them to have a materially adverse impact on the financial position or profitability.

#### **Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**Income taxes:** The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid /recovered for uncertain tax positions.

**Useful lives of property, plant and equipment:** As described in Note 2.8, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

**Allowances for doubtful debts:** The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgment and estimates.

#### **2.4 Operating Cycle and Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification in accordance with Part-I of Division- II of Schedule III of the Companies Act, 2013.

An asset is treated as current when it,

- (a) Expected to be realized or intended to be sold or consumed in normal operating cycle;
- (b) Held primarily for the purpose of trading; or
- (c) Expected to be realized within twelve months after the reporting period, or
- (d) The asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when,

- (a) It is expected to be settled in normal operating cycle; or
- (b) It is held primarily for the purpose of trading; or
- (c) It is due to be settled within twelve months after the reporting period, or
- (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

#### **2.5 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment inclusive of excise duty and net of returns, trade allowances, rebates, taxes and amounts collected on behalf of third parties and government.

**Sale of Goods** Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;

- It is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Interest income** Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**Dividends** that there is no any dividend income has earned by the company during the current financial year, Generally, the company has policy to recognized the dividend income from investments when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

## 2.6 Segment Reporting

In this financial year, the company has been presenting its first Financial Statements in the IND-AS. Therefore, the company has adopted the Indian Accounting Standard Abbreviate it "IND-AS-101 First Time Adoption of Indian Accounting Standard. Thus, the Standard has provided the relaxation to the companies for compliance of the provisions of certain IND-AS. Therefore, the company has decided not to report segment reporting during the current year it is transitional phase for implementation Indian Accounting Standard.

## 2.7 Functional Currency

The functional currency of the Company is the Indian rupee.

All financial information presented in INR LAKHS has been rounded to the nearest of LAKHS, unless otherwise indicated

## 2.8 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit or Loss when the asset is derecognized.

For transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment are measured as per previous GAAP as it deemed cost on the date of transition.

The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Plant and Equipment :10 - 15 years

Office Equipment\* :3 to 6 years

Furniture and Fixture :10 years

Electrical Installation and Equipment: 10 years Vehicles: 10 years

\*Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule-II of the Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, it appropriate.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in profit or loss. Fully depreciated assets still in use are retained in financial statements.

## 2.9 Capital work-in-progress and intangible assets under development



Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

#### 2.10 Intangible assets

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortization and accumulated impairment losses, if any.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on de-recognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

The Company amortizes intangible assets with a finite useful life using the straight-line method over the of useful lives determined by the terms of the agreement /contract. The estimated useful life is reviewed annually by the management.

#### 2.11 Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

**Current tax:** Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an Intention to settle the asset and the liability on a net basis.

**Deferred tax:** Deferred income tax is recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognized only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of a deferred tax asset is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized, or the deferred tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

#### 2.12 Impairment of assets

**Financial assets:** The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

**PPE and intangibles assets:** Property, plant and equipment and intangible assets with finite life are evaluated for recover ability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e., higher of the fair valueless cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely

independent of those from other assets. In such cases, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

### 2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cosine hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and equivalent subject to an insignificant risk of changes in value.

### 2.14 Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

### 2.15 Inventories

Inventories are valued at lower of cost on FIFO basis and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroy and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### 2.16 Non-derivative financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

#### a. Financial assets: Subsequent measurement

Financial assets at amortized cost: Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI): Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

Financial assets at fair value through profit or loss (FVTPL): Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

**b. Financial liabilities - Subsequent measurement**

Financial liabilities are measured at amortized cost using the effective interest method. The measurement of financial liabilities depends on their classification, as described below:

**Loans and borrowings:** After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost on accrual basis.

**Composite financial instrument:** The fair value of the liability portion of an optionally convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortized cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognized and included in shareholders' equity.

**De-recognition**

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

**C. Offsetting of financial instruments:**

Financial assets and financial liabilities are set and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**2.17 Borrowing costs**

General and specific borrowing costs (including exchange differences arising from foreign currency borrowing to the extent that they are regarded as an adjustment to interest cost) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

**2.18 Employee Benefits**

Employee benefits consist of Short-Term Employment benefits such salary, bonus, commission etc, and contribution to employees' state insurance, provident fund, gratuity fund and compensated absences.

Post-employment benefit plans Defined Contribution plans Contributions to defined contribution schemes such as Company's provident fund contribution is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

**2.19 Earnings per share (EPS)**

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

## ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Unaudited Financials for the half year ended on September 30, 2024 and Audited Financial Information for the Financial Years ending March 31, 2024 and March 31, 2023, and March 31, 2022. For further details please refer to the section titled '*Financial Information*' beginning on page 60 of this Draft Letter of Offer.

ACCOUNTING				
Amount (in Lakhs)				
Particulars	Unaudited Financial Statements for Half Year Ended on September 30, 2024	Based on Audited Financial Statements for the Financial Year ending March 31,		
		2024	2023	2022
Basic earnings per Equity Share (₹)	0.363	1.76	(1.061)	(0.640)
Diluted earnings per Equity Share (₹)	0.363	1.76	(1.061)	(0.640)
Return on Net Worth (%)	19.33%	11.63%	(7.81)%	(43.73)%
Net Asset Value per Equity Share (₹)	1.88	1.51	1.36	1.46
<b>EBITDA (₹)</b>	<b>117.88</b>	<b>59.41</b>	<b>(25.35)</b>	<b>(130.60)</b>

The formula used in the computation of the above ratios are as follows:

Particular	Computation of Formulas
Basic earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares);
Diluted earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares (including convertible securities));
Return on Net Worth (%)	(Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income)) / (Net worth at the end of the year);
Net Asset Value per Equity Share (₹)	(Net Worth) / (Number of Equity Shares outstanding for the year);
EBITDA (₹)	Profit for the year before finance costs, tax, depreciation, amortization and exceptional items as presented in the statement of profit and loss

### Calculation of Return on Net Worth (%)

Particulars	Unaudited Financial Statements for Half Year Ended on September 30, 2024	Based on Audited Financial Statements for the Financial Year ending March 31,		
		2024	2023	2022
Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (₹ lakhs) (A)	117.77	57.18	(34.43)	(207.72)
Net worth at the end of the year (₹ lakhs) (B)	609.31	491.53	440.67	474.99
<b>Return on Net Worth (%) [(A)/(B)]</b>	<b>19.33%</b>	<b>11.63%</b>	<b>(7.81)%</b>	<b>(43.73)%</b>

### Calculation of Net asset value per Equity Share

Particulars	Unaudited Financial Statements for Half Year Ended on September 30, 2024	Based on Audited Financial Statements for the Financial Year ending March 31,		
		2024	2023	2022
Net Worth (₹) (A)	609.31	491.53	440.67	474.99
Number of issued, subscribed and fully paid-up Equity Shares outstanding as at the year ended (Numbers) (B)	324.5	324.5	324.5	324.5
<b>Net Asset Value per Equity Share (₹) [(A)/(B)]</b>	<b>1.88</b>	<b>1.51</b>	<b>1.36</b>	<b>1.46</b>

### Calculation of Net Worth:

Particulars	Unaudited Financial Statements for Half Year Ended on September 30, 2024	Based on Audited Financial Statements for the Financial Year ending March 31,		
		2024	2023	2022
Equity Share capital (₹) (A)	324.5	324.5	324.5	324.5
Reserves and Surplus (₹) (B)	284.81	167.03	116.17	167.03

<b>Net Worth (₹) [(A)+(B)]</b>	<b>609.31</b>	<b>491.53</b>	<b>440.67</b>	<b>474.99</b>
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**Calculation of EBITDA**

Particulars	Unaudited Financial Statements for Half Year Ended on September 30, 2024	Based on Audited Financial Statements for the Financial Year ending March 31,		
		2024	2023	2022
Net Profit/ (loss) after tax (₹) (A)	117.77	57.18	(34.43)	(207.72)
Income tax expenses (₹) (B)	0.00	2.04	-0.27	2.02
Finance Cost (₹) (C)	0.03	0.03	6.33	68.38
Depreciation and amortization expense (₹) (D)	0.08	0.16	3.02	6.72
<b>EBITDA (₹) (A+B+C+D)</b>	<b>117.88</b>	<b>59.41</b>	<b>(25.35)</b>	<b>(130.6)</b>

## STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Company's Equity Shares are listed on BSE Limited and MSEI Limited; and the Rights Shares issued pursuant to this Issue will be listed on both the BSE Limited and MSEI Limited. For further details, please refer to the section titled '*Terms of the Issue*' on page 98 of this Draft Letter of Offer.

Our Company shall receive an in-principal approval for listing of the Rights Shares on the BSE Limited to be issued pursuant to this Issue from BSE Limited by letter dated [●]. Our Company shall also make application to both BSE Limited and MSEI Limited to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
4. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

### STOCK MARKET DATA OF THE EQUITY SHARES

The high, low and average prices recorded on the BSE, during the preceding 3 (Three) Financial Years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Financial Year	Date of High	High (₹)	Volume on date of High (Number of Equity Shares)	Date of Low	Low (₹)	Volume on date of low (Number of Equity Shares)
2023-2024	Thursday, 28 March, 2024	175.75	1,20,392	Friday, 12 April, 2024	18.8	1,895
2022-2023	Thursday, 2 February, 2023	32.3	11,795	Tuesday, 26 December, 2023	17	26,680
2022-2021	Friday, 4 June, 2021	34.95	6,587	Wednesday, 23 March, 2022	21.15	9,447

Source: [www.bseindia.com](http://www.bseindia.com)

The high, low and average prices recorded on the BSE, during the last 6 (Six) months and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Month	Date of High	High (₹)	Volume (Number of Equity Shares)	Date of Low	Low (₹)	Volume (Number of Equity Shares)	Total number of days of trading
Nov-24							
Oct-24	Thursday, 31 October, 2024	106.36	1,21,731	Tuesday, 1 October, 2024	70.3	82,872	22
Sep-24	Monday, 30 September, 2024	68.93	1,00,810	Monday, 2 September, 2024	46.51	33,900	21
Aug-24	Friday, 2 August, 2024	300	24,987	Monday, 5 August, 2024	29	1,36,653	20
Jul-24	Monday, 1 July, 2024	309.4	1,574	Tuesday, 23 July, 2024	252	3,206	22
Jun-24	Wednesday, 26 June, 2024	313.95	6,198	Tuesday, 4 June, 2024	248.7	4,903	19

Source: [www.bseindia.com](http://www.bseindia.com)

The high, low, and average prices recorded on the BSE, during the last 4 (Four) weeks and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Week ended on	High Price (₹)	Date of High	Low Price (₹)	Date of Low
22 November 2024	137.15	Friday, 22 November, 2024	129.35	Monday, 18 November, 2024
15 November 2024	126.85	Thursday, 14 November, 2024	119.65	Monday, 11 November, 2024
08 November 2024	117.35	08 November 2024	108.35	Monday, 4 November, 2024
01 November 2024	106.35	Thursday, 31 October, 2024	100.24	Monday, 28 October, 2024

Source: [www.bseindia.com](http://www.bseindia.com)

The Issue Price of ₹ [●]/- per Equity Share has been arrived by the Board of Directors.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion is intended to convey our management's perspective on our financial condition and results of our operations. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year or a Fiscal are to the 12 months ended March 31 of that year.*

*You should read the following discussion of our financial condition and results of operations together with our unaudited financial statements for the Half Year ended on September 30, 2024 along with the audited financial statements as of and for the Financial Year ending March 31, 2024, and March 31, 2023, included in this Draft Letter of Offer. Our audited financial statements for the Financial Year ending March 31, 2024, and March 31, 2023 are prepared in accordance with Ind AS.*

*Unless otherwise stated, the financial information used in this chapter is derived from the Audited Financial Statement of our Company.*

*This discussion may include certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors or contingencies, including those described below and in the 'Forward-Looking Statements' on page 13 of this Draft Letter of Offer. Also see 'Risk Factors' beginning on page 16 of this Draft Letter of Offer, for a discussion of certain factors or contingencies that may affect our business, financial condition, or results of operations.*

### Overview of Our Business

Aayush Wellness Limited is a trailblazer in the health and wellness industry, committed to transforming lives through innovative products and accessible services. The company operates through specialized divisions, each addressing unique wellness needs and promoting holistic well-being.

#### Aayush Veda

Embracing the power of nature, Aayush Veda is dedicated to providing herbal solutions tailored to modern health challenges. Its flagship product, Herbal Pan Masala, serves as a healthier alternative to traditional pan masala and tobacco, which are known for their adverse health effects. Crafted with natural ingredients, this innovative product is designed to address the needs of India's 44 crore tobacco-chewing population, offering them a safer option while encouraging the transition toward healthier habits.

#### Aayush Life

This division offers innovative nutraceutical supplements designed for convenience and effectiveness, making health care an effortless part of daily life. Products like Sleep Gummies, which enhance sleep quality, and Beauty Gummies, which deliver essential nutrients for glowing skin and healthy hair, have redefined proactive wellness. Building on this success, the company plans to expand its portfolio with more products in this category, addressing diverse health needs and empowering individuals to take charge of their well-being with ease.

Currently, both the divisions Aayush Veda and Aayush Life operate under the umbrella of the holding company Aayush Wellness Limited. However, in the future, the company plans to incorporate separate wholly owned subsidiaries for each division (Aayush Veda and Aayush Life)

### Principal Factors affecting our Financial Condition and Results of Operations

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section 'Risk Factors' on page 16 of this Draft Letter of Offer. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

#### Continued impact of COVID-19

- the value, perception and marketing of our products;
- General economic and business conditions;
- Company's inability to successfully implement its growth and expansion plans;
- Increasing competition;
- Economic, Income and Demographic condition in India;
- Changes in laws and regulations that apply to Industry in which we operate;
- Any change in the tax laws granting incentives to Industry in which we operate;
- Dependency on our customers for adaptability of our products;
- Interest Rates

## SECTION-VIII OTHER REGULATORY INFORMATION

### OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

Except as disclosed below, there are no outstanding litigations involving our Company and our Subsidiaries/associates whose financial statements are included in the draft letter of offer, either separately or in a consolidated form including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'Materiality Policy' under Regulation 30 of the SEBI Listing Regulations and as adopted by the Board of Directors of the Company on Thursday, August 10, 2023 for the purpose of litigation disclosure in this draft Letter of Offer if:

- Any outstanding litigation involving the monetary amount of claim made by or against the Company exceeds 10% (ten percent) of the consolidated revenue from operations of the Company as per the latest Audited Balance Sheet.
- For the purpose of determining materiality, the threshold shall be determined by the issuer as per requirements under the SEBI (LODR) Regulations, 2015.

Unless stated to the contrary, the information provided below is as of the date of this Draft Letter of Offer.

#### CONTINGENT LIABILITIES OF OUR COMPANY

As per the Financial Statements for the Financial Year ending March 31, 2024, there are no contingent liabilities.

#### LITIGATION INVOLVING OUR COMPANY

##### 1) Litigation Involving Actions by Statutory/Regulatory Authorities

As on date of this Draft Letter of Offer, there are no actions taken by Statutory/Regulatory Authorities against our Company.

##### 2) Litigation involving Tax Liabilities

###### (i) Direct Tax Liabilities

###### *Direct tax proceedings*

- A. Except the following, Company has not received any outstanding demand notice from Income Tax Department: None
- B. There are no e-proceeding showing on the website of Income Tax against the Company, the amount has not been crystallized yet:

###### (ii) Indirect Taxes Liabilities

As on date of this Draft Letter of Offer, there are no indirect tax liabilities against our Company.

##### 3) Proceedings involving issues of moral turpitude or criminal liability on the part of our Company

As on date of this Draft Letter of Offer, there are no proceedings involving issues of moral turpitude or criminal liability filed against our Company.



**4) Proceedings involving Material Violations of Statutory Regulations by our Company**

As on date of this Draft Letter of Offer, there are no proceedings involving issues of material violations of statutory regulations our Company.

**5) Matters involving economic offences where proceedings have been initiated against our Company**

As on date of this Draft Letter of Offer, there are no matters involving economic offences where proceedings have been initiated against our Company;

**6) 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**

As on date of this Draft Letter of Offer, there are no 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;

*Note: The litigations filed by and against Company have not been included in the Draft Letter of Offer as they are not material as per the Materiality Policy of the Company.*

**LITIGATION INVOLVING OUR DIRECTORS, PROMOTERS AND PROMOTER GROUP**

**1) Litigation Involving Actions by Statutory/Regulatory Authorities**

**2) Direct Tax Liabilities**

*Direct Tax Proceedings*

The Company has not received any outstanding demand notice from Income Tax Department:

**LITIGATION INVOLVING OUR SUBSIDIARY COMPANY**

As on date of this Draft Letter of Offer, our Company has no Subsidiary company.

**LITIGATION INVOLVING OUR GROUP COMPANIES**

**1) Litigation involving our Group Companies**

As on date of this Draft Letter of Offer, our Company has no group companies;

**DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company, nor our Promoter or any of our directors are or have been categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.

**DETAILS OF MATERIAL DEVELOPMENTS AFTER THE DATE OF LAST BALANCE SHEET FOR THE FINANCIAL YEAR ENDING MARCH 31, 2024**

Except as mentioned in this Draft Letter of Offer, no material circumstances have arisen since the date of last financial statement until the date of filing the Draft Letter of Offer, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next 12 (Twelve) months to our knowledge.

**GOVERNMENT AND OTHER APPROVALS**

<b>Registered Office</b>	55, 2nd Floor, Lane 2, Westend Marg, Saidullajab, Near Saket Metro Station, New Delhi, Delhi, 110030
<b>Corporate Office</b>	310 B Wing Orchard Road, Royal Palms, Survey No 169, Aareymilk Colony, Mumbai, Goregaon East, Maharashtra, India,400065

**ISSUE RELATED APPROVAL**

1. Our Board of Directors has, pursuant to a resolution passed at its meeting held on October 29, 2024, authorized the Issue under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary.
2. Our Company has obtained in-principal approval dated [.] from BSE Limited.
3. Our Company's International Securities Identification Number (“**ISIN**”) is INE430R01023.

**APPROVALS PERTAINING TO INCORPORATION OF OUR COMPANY**

Sr. No.	Description	Registrar	Registration /Reference/License No.	Date of Certificate	Date of Expiry
1)	Certificate of Incorporation in the name of “Arihant Properties and Plantation Limited”	Registrar of Companies, Delhi & Haryana	L01122DL1984PLC018307	June 02, 1984	Valid until Cancelled
2)	Fresh Incorporation Certificate of Incorporation in the name of “Maa Kamakhya Ayurveda Limited”	Registrar of Companies, Delhi & Haryana	L01122DL1984PLC018307	March 07, 2007	Valid until Cancelled
3)	Fresh Certificate of Incorporation after change in the name from “Patanjali Food And Herbs Limited”	Registrar of Companies, Delhi & Haryana	L01122DL1984PLC018307	December 06, 2007	Valid until Cancelled
4)	Fresh Certificate of Incorporation after change in the name from “Aayush Food And Herbs Limited”	Registrar of Companies, Delhi & Haryana	L01122DL1984PLC018307	March 04, 2010	Valid until Cancelled
5)	Fresh Certificate of Incorporation after change in the name from “Aayush Wellness Limited”	Registrar of Companies, Delhi & Haryana	L01122DL1984PLC018307	June 18, 2024	Valid until Cancelled

**TAX RELATED APPROVALS**



Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1)	Permanent Account Number (PAN)	Income Tax Department	AAACA0013E	June 02, 1984	Valid until cancelled
2)	Registration Certificate for Goods and Services Tax (GST) for the state of Mumbai	Government of India	27AAACA0013E2ZK	August 07, 2024	Valid until cancelled

**BUSINESS RELATED APPROVALS**

**Approvals/registration valid**

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1)	License to sell, stock or exhibit (or offer) for sale or distribute Food or Health Supplements and Nutraceuticals etc. s other than those specified in [ Schedules C, C (1) and X]	Food Safety and Standards Authority of India	11524009000116	March 28, 2024	March 27, 2025

**INTELLECTUAL PROPERTY RIGHTS**

Sr. No.	Trademarks/ Copyright	Class Trademark Type	Registration/Applica tion No.	Date of Application	Registration Status	Valid Upto
1)	Word Mark "AAYUSH"	Class 5	6721519	November 22, 2024	Application Submitted	-
2)		Class 35	6429650	May 13, 2024	Application Submitted	-
3)	Word Mark "AAYUSH"	Class 34	6721521	November 22, 2024	Application Submitted	-
4)		Class 34	6721520	November 22, 2024	Application Submitted	-

**WEBSITE RELATED DETAILS**

Sr. No.	Domain Name	Sponsoring Registrar and IANA ID	Date of Issue	Validity up to
1.	www.aayushwellness.com	Sponsoring Registrar: GoDaddy Operating Company, LLC	April 26, 2024	April 26, 2026

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

This Issue of Equity Shares to the Eligible Shareholders is being made in accordance with the:

1. Resolution passed by our Board of Directors under clause (a) of Sub-Section (1) of Section 62 and other provisions of the Companies Act, at their meeting conducted on Tuesday, October 29, 2024.
2. The Board of Directors of our Company in their meeting conducted on [●] approved this Issue inter-alia on the following terms:

<b>Issue Size</b>	[●] Equity Shares;
<b>Issue Price</b>	₹[●]/- (Rupees [●]) per Right Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹[●]/- (Rupees [●]) per Rights Equity Share, including a premium of ₹[●]/- (Rupees [●]) per Rights Equity Share); On Application, Investors will have to pay ₹[●] (Rupees [●] Only) per Rights Equity Share which constitutes [●]% ([●] percent) of the Issue Price and the balance ₹[●] (Rupees [●] Only) per Rights Equity Share which constitutes [●]% ([●] percent) of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by the Board of Directors at its sole discretion, from time to time;
<b>Issue Entitlement Ratio</b>	[●]:[●] i.e., Equity Shares for every [●] Equity Shares held by Eligible Shareholders of our Company as on Record Date;
<b>Record Date</b>	[●];

The Board of Directors in their meeting held on [●] have determined the Issue Price as ₹ [●]/- per Equity Share and the Rights Entitlement as [●] Rights Equity Share for every [●] Equity Share held on the Record Date.;

3. This Draft Letter of Offer has been approved at Board meeting of the Board of Directors on Monday, December 18, 2024;
4. Receipt of In-principle approvals from the BSE Limited in accordance with Regulation 28 (1) of SEBI (LODR) Regulations for listing of the Rights Shares proposed to be allotted pursuant Issue vide a letter bearing reference number [●] from BSE Limited dated [●]. Our Company will also make application to BSE Limited to obtain their trading approvals for the Rights Entitlements as required under the ASBA Circular;
5. Our Company has been allotted the ISIN [●] from the Depositories for the Rights Shares to be issued pursuant to this Issue.

### PROHIBITION BY SEBI OR RBI OR OTHER GOVERNMENTAL AUTHORITIES

1. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling, or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.
2. The companies with which our directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.
3. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been identified as Willful Defaulters by the RBI;
4. None of our Directors are associated with the securities market in any manner;
5. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been declared as fugitive economic offenders;
6. None of our Directors currently holds nor have held directorship(s) in the last five years in a listed Company whose shares have been or were suspended from trading on any stock exchange or in a listed Company which has been / was delisted from any stock exchange;
7. There are no proceedings initiated by SEBI, Stock Exchange or ROC, etc., against our Company, Directors, Group Companies;

### ELIGIBILITY FOR THE ISSUE

1. Our Company is a listed company incorporated under the Companies Act, 2013. Our Equity Shares are presently listed on the BSE Limited. Our Company is eligible to offer and issue Rights Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI (ICDR) Regulations;
2. Our Company is undertaking this Right Issue in compliance with Part B-1 of Schedule VI of the SEBI (ICDR) Regulations. Our Company undertakes to make an application to the BSE Limited for listing of the Rights Shares to be issued pursuant to this Issue.

## COMPLIANCE WITH SEBI (ICDR) REGULATIONS

1. 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, i.e. [www.sebi.gov.in](http://www.sebi.gov.in);
2. Our Company is in compliance with requirements of Regulation 61 and Regulation 62 of the SEBI (ICDR) Regulations to the extent applicable;
3. Further, in relation to compliance Regulation 62 (1) (a) of the SEBI (ICDR) Regulations, our Company undertakes to make an application to BSE Limited for listing of the Rights Shares to be issued pursuant to this Issue;
4. BSE Limited shall be the Designated Stock Exchange for this Issue;

## COMPLIANCE WITH CLAUSE (1) OF PART B OF SCHEDULE VI OF 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 Listing Agreement or the SEBI (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Draft Letter of Offer with the SEBI and until date;
2. The reports, statements and information referred to above in clause (1) are available on the website of BSE Limited;
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 our 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 Draft Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.

## COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company is in compliance with the provisions of the Companies (Significant Beneficial Ownership) Rules, 2018.

## DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI (ICDR) Regulations as the size of issue is up to ₹5,000.00 Lakhs.

As required, a copy of the Letter of Offer will be submitted to SEBI.

## DISCLAIMER CLAUSES OUR COMPANY

Our Company accept no responsibility for the statements made otherwise than in this Draft Letter of Offer or in any advertisement or other materials issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his/ her own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

## CAUTION

Our Company shall make all the relevant information available to the Eligible Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be available for a section of the Eligible Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date of this Draft Letter of Offer.

## DISCLAIMER WITH RESPECT TO JURISDICTION

This Draft 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 Mumbai, India only.

## DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for the purpose of this Issue will be BSE.

## DISCLAIMER CLAUSE OF BSE LIMITED

As required, a copy of this Draft Letter of Offer has been submitted to the BSE Limited. The BSE Limited have given vide their approval vide letter dated [●]to use its name in this Draft Letter of Offer. The Disclaimer Clause as shall be intimated by the BSE Limited to us, post-scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with BSE Limited.

Further, BSE Limited does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
2. Warrant that our Company's Equity Shares will be listed or will continue to be listed on the BSE Limited; or
3. Take any responsibility for the financial or other soundness of our Company, its management or any scheme or project of our Company;

And it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the BSE Limited.

Every Investor who desires to apply for or otherwise acquires any Equity Shares of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE Limited whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

## DISCLAIMER CLAUSE OF MSEI LIMITED

As required, a copy of this Draft Letter of Offer has been submitted to the MSEI Limited. The MSEI Limited have given vide their approval vide letter dated [●]to use its name in this Draft Letter of Offer. The Disclaimer Clause as shall be intimated by the MSEI Limited to us, post-scrutiny of this DraftLetter of Offer, shall be included in the Letter of Offer prior to filing with MSEI Limited.

Further, MSEI Limited does not in any manner:

4. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
5. Warrant that our Company's Equity Shares will be listed or will continue to be listed on the BSE Limited; or
6. Take any responsibility for the financial or other soundness of our Company, its management or any scheme or project of our Company;

And it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the BSE Limited.

Every Investor who desires to apply for or otherwise acquires any Equity Shares of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE Limited whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

## FILING

The Draft Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is up to ₹5,000.00 Lakhs which does not require issuer to file Draft Letter of Offer with SEBI. The Company has filed a Draft Letter of Offer with BSE Limited for obtaining in-principle approval.

## SELLING RESTRICTIONS

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, Application Form, and the issue of Rights Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, or Application Form 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 Shareholders and will send/ dispatch the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form only to email addresses of such Eligible Shareholders who have provided an Indian address to our Company. 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 e-mail the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form, shall not be sent the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form. Further, the Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make 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 and the BSE Limited. Accordingly, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose.

Accordingly, the Rights Entitlements or Rights Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form should not, in connection with the issue of the Rights Entitlements or Rights 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 this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and/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 Entitlement or Rights Shares referred to in this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form. 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 Shares in this Issue must provide an Indian address.

No information in this Draft Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlement and the Rights 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 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 Draft Letter of Offer or date of such information.

**The contents of this Draft 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 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 Shares or Rights Entitlements. In addition, neither our Company nor any of its respective affiliates are making any representation to any offeree or purchaser of the Rights Shares or the Rights Entitlements regarding the legality of an investment in the Rights Shares or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.**

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

The Rights Entitlements and the Rights Shares have not been and will not be registered under the United States Securities Act, 1933, as amended, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act, except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Rights Shares referred to in this Draft Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Rights Shares and/ or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which this Draft Letter of Offer, the Letter of Offer, and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Entitlement Letter, and Application Form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Rights Shares shall be made from US bank accounts and all persons subscribing for the Rights Shares and wishing to hold such Rights Shares in registered form must provide an address for registration of the Rights Shares in India.

**We, the Registrar or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which:**

- a. Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Rights Entitlements and the Rights Shares in compliance with all applicable laws and regulations;**
- b. Appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States;**
- c. Where a registered Indian address is not provided;**
- d. Where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements;**

**And we shall not be bound to allot or issue any Rights Shares in respect of any such Application Form.**

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

## **INVESTOR GRIEVANCES AND REDRESSAL SYSTEM**

### **1. Mechanism for Redressal of Investor Grievances**

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 comprising of 3 (three), members of the said 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.

The average time taken by the Registrar, **Skyline Financial Services Private Limited** for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

## 2. Investor Grievances arising out of this Issue:

Our Company's investor grievances arising out of the Issue will be handled by Skyline Financial Services Private Limited, who is the Registrar to the Issue. The Registrar to the Issue will have a separate team of personnel handling only post- Issue correspondence.

The agreement between our Company and the Registrar to the Issue will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice to enable the Registrar to redress grievances of Investors.

All grievances relating to this Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact details, Email-ID of the first applicant, number and type of Equity Shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar to the Issue for attending to routine grievances will be seven to ten days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the Company Secretary and Compliance Officer of our Company and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post-Issue related problems such as non-receipt of allotment advice/ demat credit etc.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, 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 Shares applied for, amount blocked, 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. For details on the ASBA process, please refer to the section titled '*Terms of the Issue*' on 98of this Draft Letter of Offer.

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. Sakshi Chopra</b> <b>Address:</b> 55, 2nd Floor, Lane 2, Westend Marg, Saidullajab, Near Saket Metro Station, New Delhi, Delhi, 110030. <b>Contact No:</b> +91-8448693031 <b>Email:</b> cs@aayushwellness.com</p>	<p><b>Skyline Financial Services Private Limited</b> D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi- 110 020, India Contact Person: Mr. Anuj Rana Tel. Number: 011 40450193-197 Email: ipo@skylinerta.com; grievances@skylinerta.com Website: www.skylinerta.com SEBI Registration No.: INR000003241 Validity: Permanent Corporate Identification Number: U74899DL1995PTC071324</p>

## SECTION IX – ISSUE INFORMATION

### TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained the Issue Materials, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, please see 'Application by Eligible Equity Shareholders Holding Equity Shares In Physical Form' on page 110 of this Draft Letter of Offer.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this 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, the FEMA, the FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with BSE Limited 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, ASBA Circular, our Company will send/dispatch at least 3 (Three) days before the Issue Opening Date, the Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other applicable Issue Materials only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right 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 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 Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India 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 Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible 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 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 Right 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 Right Shares under applicable securities laws) on the websites of:

Access of Documents on the website of	URL of websites
Company	<a href="http://www.aayushwellness.com">www.aayushwellness.com</a>
Registrar to the Issue	<a href="http://www.skylinerta.com">www.skylinerta.com</a>
BSE Limited	<a href="http://www.bseindia.com">www.bseindia.com</a>
MSEI	

Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at [www.skylinerta.com](http://www.skylinerta.com) by entering their DP-ID, Client-ID, or Folio Number (for Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date) and PAN. The link for the same shall also be available on the website of our Company at [www.aayushwellness.com](http://www.aayushwellness.com)

Further, our Company will undertake all adequate steps to reach out the Eligible Shareholders who have provided their Indian address through other means, as may be feasible. **Please note that, 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 or delay in the receipt of 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 Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.**

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter, and the issue of Rights Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the BSE Limited. Accordingly, the Rights Entitlements and Rights Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction.

Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form (including by way of electronic means) will not constitute an offer, invitation to, or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form should not, in connection with the issue of the Rights Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Shares offered in the Issue will be deemed to have declared, represented, and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

## **2. Process of making an 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 the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA, detailed under the Paragraph titled 'Procedure for Application through the ASBA Process' on page Error! Bookmark not defined. of this Draft Letter of Offer.**

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. 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>. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 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.

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.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, please see the section entitled 'Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders' on page 100 of this Draft Letter of Offer.

Please note that one single Application Form shall be used by 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 holding Equity Shares in physical form as on Record Date and 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 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 apply for the Rights Entitlements 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. Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

**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, please see the paragraph titled 'Grounds for Technical Rejection' on page 113 of this Draft Letter of Offer. Our Company and the Registrar to the Issue, 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 SCSBs shall accept such applications only if all details required for making the application as per the SEBI (ICDR) Regulations are specified in the plain paper application and 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, please see the section entitled 'Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process 'on page 107**Error! Bookmark not defined.** of Draft 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 Circulars, the credit of Rights Entitlements and Allotment of Rights Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- (i) The demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and
- (ii) A demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to:
  - (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
  - (b) Equity Shares held in the account of IEPF authority; or
  - (c) 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
  - (d) 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
  - (e) Credit of the Rights Entitlements returned/reversed/failed; or
  - (f) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable
  - (g) Eligible Equity Shareholders who have not provided their Indian addresses.

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 not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 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 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.skylinerta.com](http://www.skylinerta.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.skylinerta.com](http://www.skylinerta.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 link for the same shall also be available on the website of our Company (i.e., [www.aayushwellness.com](http://www.aayushwellness.com).)

#### Other important links and helpline

The Investors can visit following links for the below-mentioned purposes:

Particulars	Website Links
Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors	<a href="http://www.skylinerta.com">www.skylinerta.com</a>
Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders	
Update of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar or our Company	<a href="mailto:ipo@skylinerta.com">ipo@skylinerta.com</a>
Update of demat account details by Eligible Equity Shareholders holding shares in physical form	

#### Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

## Basis for this Issue

The Rights 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 dematerialized form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date, i.e. [●].

## Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialized 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, i.e. [●], you may be entitled to subscribe to the number of Rights 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 Common 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 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.skylinerta.com](http://www.skylinerta.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 link for the same shall also be available on the website of our Company (i.e. [www.aayushwellness.com](http://www.aayushwellness.com));).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialized 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.skylinerta.com](http://www.skylinerta.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 will send/ dispatch the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form only to 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 Shares is permitted under laws of 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.

## PRINCIPAL TERMS OF THIS ISSUE

<b>Face Value</b>	Each Rights Equity Share will have the face value of ₹1.00/- (Rupee One Only).
<b>Issue Price</b>	₹[●]/- (Rupees [●]) per Rights Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹[●]/- (Rupees [●]) per Rights Equity Share, including a premium of ₹[●]/- (Rupees [●]) per Rights Share). On Application, Investors will have to pay ₹[●] (Rupees [●] Only) per Rights Share which constitutes [●] ([●] Percent) of the Issue Price, and the balance ₹[●] (Rupees [●] Only) per Rights Share which constitutes [●] ([●] Percent) of the Issue Price, will have to be paid, on one additional call as may be decided by the Board/ Rights Issue Committee of the Board from time to time.
<b>Rights Entitlements Ratio</b>	The Rights Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] ([●]) Rights Shares for every [●] ([●]) Equity Shares held by the Eligible Equity Shareholders as on the Record Date i.e., [●].
<b>Renunciation of Rights Entitlements</b>	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 <i>vice versa</i> 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 favor 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 way of On Market or through off-market transfer. For details, see 'Procedure for Renunciation of Rights Entitlements' on page 108 of this Draft 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.

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 Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) 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, i.e. [●]; or (d) 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 (e) credit of the Rights Entitlements returned/reversed/failed; or (f) 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 credit 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 [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date and shall be active for renunciation or transfer only during the Renunciation Period, i.e., from [●] to [●] (both days inclusive). 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, whose Rights Entitlement 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 not later than two (2) Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 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. 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.skylinerta.com). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

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 BSE Limited 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 SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS SHARES ON OR BEFORE THE ISSUE CLOSING DATE I.E., [●] AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE 'PROCEDURE FOR APPLICATION' ON PAGE 105 OF THIS DRAFT LETTER OF OFFER.**

In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the BSE Limited under Rights Entitlement ISIN [●]. Prior to the Issue Opening Date, our Company will obtain the approval from the BSE Limited for trading of Rights Entitlements. Investors shall be able to trade/ transfer 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 BSE Limited 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.

Trading of the Rights Entitlements

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (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 Renouncees 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 108 of this Draft Letter of Offer. Once the Rights Entitlements are credited to the demat account of the Renouncees, application in the Issue could be made until the Issue Closing Date. For details, see 'Procedure for Application' on page 105 of this Draft 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.**

<p><b>Terms of Payment</b></p>	<p>₹ [●]/- (Rupees [●]) per Rights Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹[●]/- (Rupees [●]) per Rights Equity Share, including a premium of ₹[●]/- (Rupees [●]) per Rights Share).</p> <p>On Application, Investors will have to pay ₹[●] (Rupees [●] Only) per Rights Share which constitutes [●] ([●] Percent) of the Issue Price, and the balance ₹[●] (Rupees [●] Only) per Rights Share which constitutes [●] ([●] Percent) of the Issue Price, will have to be paid, on one additional call as may be decided by the Board/ Rights Issue Committee of the Board from time to time.</p> <p>Where an Applicant has applied for additional Rights Shares and is Allotted a lesser number of Rights Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI (ICDR) Regulations. If 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.</p>
<p><b>Fractional Entitlements</b></p>	<p>The Rights Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] ([●]) Rights Shares for every [●] ([●]) 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 [●]([●]) Equity Shares or is not in the multiple of [●]([●]) 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 (1) additional Rights Equity Share if they apply for additional Rights Shares over and above their Rights Entitlements, if any, subject to availability of Rights Shares in this Issue post allocation towards Rights Entitlements applied for.</p> <p>For example, if an Eligible Equity Shareholder holds [●]([●]) Equity Shares, such Equity Shareholder will be entitled to [●]([●]) Rights Equity Share and will also be given a preferential consideration for the Allotment of one (1) additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Shares, over and above his/ her Rights Entitlements, subject to availability of Rights Shares in this Issue post allocation towards Rights Entitlements applied for.</p> <p>Further, the Eligible Equity Shareholders holding less than [●] ([●]) Equity Shares shall have 'zero' entitlement for the Rights Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Shares and will be given preference in the Allotment of one Rights Share, if such Eligible Equity Shareholders apply for additional Rights Shares, subject to availability of Rights Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.</p>
<p><b>Credit Rating</b></p>	<p>As this Issue is a rights issue of Rights Shares, there is no requirement of credit rating for this Issue.</p>
<p><b>Ranking</b></p>	<p>The Rights 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 Common 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 Listing 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 BSE Limited and the terms and conditions as stipulated in the Allotment advice. The Rights Shares to be issued and allotted under this Issue shall, upon being fully paid up, rank <i>pari passu</i> with the existing Equity Shares, in all respects including dividends. In respect of the Rights Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid-up equity capital of our Company.</p>
<p><b>Listing and trading of the Rights Shares to be issued pursuant to this Issue</b></p>	<p>Subject to receipt of the listing and trading approvals, the Rights Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the BSE Limited. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the BSE Limited vide its letter bearing reference number [●] dated [●], respectively. Our Company will apply to the BSE Limited for final approvals for the listing and trading of the Rights Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Shares or the price at which the Rights Shares offered under this Issue will trade after the listing thereof.</p> <p>For an applicable period, the trading of the Rights Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount.</p> <p>The existing Equity Shares are listed and traded on BSE (Scrip Code: 539528) and BSE Limited (Symbol: AAYUSH) under the ISIN: INE430R01023. The Rights Shares shall be credited to a temporary RE ISIN which will be frozen until the receipt of the final listing/ trading approvals from the BSE Limited. Upon receipt of such listing and trading approvals, the Rights Shares shall be debited from such temporary RE ISIN and credited to the new ISIN for the Rights Shares and thereafter be available for trading and the temporary RE ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.</p> <p>The listing and trading of the Rights 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.</p> <p>In case our Company fails to obtain listing or trading permission from the BSE Limited, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/ blocked within four (4) days of receipt of intimation from the BSE Limited, rejecting the application for listing of the Rights Shares, and if any such money is not</p>

Subscription to this Issue by our Promoters and our Promoter Group	<p>refunded/ unblocked within four (4) 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.</p> <p>For details of trading and listing of partly paid-up Rights Shares, please refer to the heading ‘<i>Terms of Payment</i>’ at page 103 of this Draft Letter of Offer.</p>
	<p>For details of the intent and extent of subscription by our Promoter and the Promoter Group, please refer to the chapter titled ‘<i>Capital Structure – Intention and extent of participation by our Promoters and Promoter Group</i>’ on page 36 of this Draft Letter of Offer.</p>
	<p>Subject to applicable laws, Rights Equity Shareholders shall have the following rights:</p> <ol style="list-style-type: none"> <li>The right to receive dividend, if declared;</li> <li>The right to vote in person, or by proxy;</li> <li>The right to receive surplus on liquidation;</li> <li>The right to free transferability of Rights Shares;</li> <li>The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law; and</li> <li>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.</li> </ol> <p>Subject to applicable law and Articles of Association, holders of Rights Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Shares in this Issue</p>
Rights of Holders of Rights Shares of our Company	

## GENERAL TERMS OF THE ISSUE

Market Lot	<p>The Rights Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Shares in dematerialized mode is one (1) Equity Share.</p>
Joint Holders	<p>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 Shares offered in this Issue.</p>
Nomination	<p>Nomination facility is available in respect of the Rights 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.</p> <p>Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Rights 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.</p>
Arrangements for Disposal of Odd Lots	<p>The Rights Shares shall be traded in dematerialized form only and, therefore, the marketable lot shall be 1 (one) Rights Share and hence, no arrangements for disposal of odd lots are required.</p>
Restrictions on transfer and transmission of shares and on their consolidation/splitting	<p>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 and as amended vide SEBI Notification bearing No. SEBI/LAD-NRO/GN/2022/66 on January 24, 2022, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository. Provided further that transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form.</p>
Notices	<p>In accordance with the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, our Company will send / dispatch the Letter of Offer, the Rights Entitlement Letter, Common Application Form and other issue materials (“<b>Issue Materials</b>”) 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 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.</p>



**Offer to Non-Resident Eligible Equity Shareholders/Investors**

Further, the Letter of Offer will be provided by the Registrar 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 e-mail 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 (i) one English language national daily newspaper with wide circulation; (ii) one Hindi language national daily newspaper with wide circulation; and (iii) one Telugu language daily newspaper with wide circulation (Telugu being the regional language of Telangana, where our Registered Office is situated) and/or, will be sent by post or electronic transmission or other permissible mode to the addresses of the Eligible Equity Shareholders provided to our Company. This Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Common Application Form shall also be submitted with the BSE Limited for making the same available on their websites.

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights shares to non-resident shareholders including additional rights 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, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favor of a person named by them; or (iii) apply for the shares renounced in their favor. Applications received from NRIs and non-residents for allotment of Rights 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 Shares and issue of Rights Entitlement 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 by email on ipo@skylinerta.com or physically/postal means at the address of the Registrar mentioned on the cover page of the Letter of Offer. 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 Common Application Form shall be sent/dispatched to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights 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. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Shares under applicable securities laws) from the websites of the Registrar, our Company and the BSE Limited. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to their patriation as are applicable to the original Equity Shares against which Rights 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.

## 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.**

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, *i.e.* [●] see 'Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form' on page 110 of this Draft Letter of Offer.

**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.**

### Common Application Form

The Common Application Form for the Rights Shares offered as part of this Issue would be sent/ dispatched (i) only to email address of the resident Eligible Equity Shareholders who have provided their email address; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, who have not provided a valid email address to our Company; (iii) only to 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 are located in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions. The Common Application Form along with the Abridged Letter of Offer

and the Rights Entitlement Letter shall be sent/ dispatched at least three days before the Issue Opening Date. The Renounees and Eligible Equity Shareholders who have not received the Common Application Form can download the same from the website of the Registrar, our Company or BSE Limited.

In case of non-resident Eligible Equity Shareholders, the Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email, to email 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 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.

**Please note that neither our Company shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Common 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 email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit [●]. Investors can access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Shares under applicable securities laws) from the websites of:

Access of Documents on the website of	URL of websites
Company	<a href="http://www.aayushwellness.com">www.aayushwellness.com</a>
Registrar to the Issue	<a href="http://www.skylinerta.com">www.skylinerta.com</a>
BSE Limited	<a href="http://www.bseindia.com">www.bseindia.com</a>
<a href="http://www.mseilimited.com">Metropolitan Stock Exchange of India Limited</a>	<a href="http://www.msei.in">www.msei.in</a>

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, [www.skylinerta.com](http://www.skylinerta.com)) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.* [www.aayushwellness.com](http://www.aayushwellness.com)).

The Common Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue, based on the Rights Entitlement credited in their respective demat accounts. Please note that one single Common Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. 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 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 Common Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Shares by submitting the Common 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

**Please note that Applications made with payment using third party bank accounts are liable to be rejected.**

Investors are also advised to ensure that the Common 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 Common Application Form will be blocked by the SCSB.

**Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Common 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 113 of this Draft 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 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 109 of this Draft Letter of Offer.

#### **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Rights Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) Apply for its Rights Shares to the full extent of its Rights Entitlements; or

- (ii) Apply for its Rights Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) Apply for Rights Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) Apply for its Rights Shares to the full extent of its Rights Entitlements and apply for additional Rights Shares; or
- (v) Renounce its Rights Entitlements in full.

## PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS

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. Investors desiring to make an Application in this Issue through ASBA process, may submit the Common 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 Common 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 Common 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 Common Application Form, please refer the above-mentioned link.

**Please note that subject to SCSBs complying with the requirements of SEBI Circular No. 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.**

The Company, its directors, 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.

### **Acceptance of this Issue**

Investors may accept this Issue and apply for the Rights Shares (i) by submitting the Common 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.

Please note that on the Issue Closing Date for Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited.

**Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.**

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 109 of this Draft Letter of Offer.

### **Additional Rights Shares**

Investors are eligible to apply for additional Rights Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Shares under applicable law and they have applied for all the Rights Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights 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 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 117 of this Draft Letter of Offer.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Shares**

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Rights Shares.

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 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 BSE Limited; or (b) through an off-market transfer, during the Renunciation Period. 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 BSE Limited 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 BSE Limited under RE ISIN [●] subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the BSE Limited from time to time.

The Rights Entitlements are 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 [●]to [●] (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 RE ISIN [●] 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 BSE Limited 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 RE ISIN [●], 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, in case of non-receipt of Common Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source. 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 Common 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:

1. Name of our Company, being Aayush Wellness Limited’;
2. 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);
3. Registered Folio Number/ DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialized form;
6. Number of Rights Shares entitled to;
7. Number of Rights Shares applied for within the Rights Entitlements;
8. Number of additional Rights Shares applied for, if any;
9. Total number of Rights Shares applied for;
10. Total amount paid at the rate of ₹ [●] /- per Rights Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. 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 Shares applied for pursuant to this Issue;
14. Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. 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);
16. In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

*“I/ We understand that neither the Rights Entitlements nor the Rights Shares have been, or will be, registered under the US 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act (“Regulation S”) to existing shareholders located in jurisdictions where such offer and sale of the Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor 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 the Company, the Registrar or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.*

*I/ We will not offer, sell or otherwise transfer any of the Rights 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. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.*

*I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Draft Letter of Offer.*

*I/ We understand and agree that the Rights Entitlements and Rights Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.*

In cases where multiple Common 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 Common 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.skylinerta.com](http://www.skylinerta.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.

#### **MODE OF PAYMENT**

All payments against the Common Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Common Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Common Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Common Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Common Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Common Application Form.

The SCSB may reject the application at the time of acceptance of Common Application Form if the ASBA Account, details of which have been provided by the Investor in the Common Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Common Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

#### **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 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 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. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit [www.skylinerta.com](http://www.skylinerta.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, i.e. [●] 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 Common Application Form from:

Access of Documents on the website of	URL of websites
Company	<a href="http://www.aayushwellness.com">www.aayushwellness.com</a>
Registrar to the Issue	<a href="http://www.skylinerta.com">www.skylinerta.com</a>
<a href="http://www.bseindia.com">BSE Limited</a>	<a href="http://www.bseindia.com">www.bseindia.com</a>
<a href="http://www.mseil.in">Metropolitan Stock Exchange of India Limited</a>	<a href="http://www.mseil.in">www.mseil.in</a>

- Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.* [www.skylinerta.com](http://www.skylinerta.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 link for the same shall also be available on the website of our Company (*i.e.* [www.aayushwellness.com](http://www.aayushwellness.com));
- The Eligible Equity Shareholders shall, on or before the Issue Closing Date, submit the Common 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, i.e. [●] 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 SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.**

### ALLOTMENT OF THE RIGHTS SHARES IN DEMATERIALIZED FORM

**PLEASE NOTE THAT THE RIGHTS 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 OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE.**

### GENERAL INSTRUCTIONS FOR INVESTORS

- Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
- Please read the instructions on the Common Application Form sent to you.
- The Common Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- Application should be made only through the ASBA facility.
- Application should be complete in all respects. The Common 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 this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form are liable to be rejected. The Common Application Form must be filled in English.
- In case of non-receipt of Common 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 109 of this Draft 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 the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

- (h) 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.
- (i) Applications should be 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. Please note that on the Issue Closing Date for Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited.
- (j) 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.
- (k) 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 Common Application Form.
- (l) 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 Shares pursuant to this Issue shall be made into the accounts of such Investors. Further, in case of Application in joint names, each of the joint Applicants should sign the Common Application Form.**
- (m) 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.
- (n) 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.
- (o) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Common 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.
- (p) All communication in connection with Application for the Rights 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 Common 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 in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (q) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. 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.
- (r) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 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.
- (s) Investors are required to ensure that the number of Rights Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (t) 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:**

- (a) Ensure that the Common Application Form and necessary details are filled in.
- (b) 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.
- (c) 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.



- (d) 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.
- (e) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Shares will be Allotted in the dematerialized form only.
- (f) 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.
- (g) Ensure that there are sufficient funds (equal to {number of Rights Shares (including additional Rights Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (h) Ensure that you have authorized the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (i) 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.
- (j) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.
- (k) Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Common 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 Common Application Form and the Rights Entitlement Letter.

**Don'ts:**

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.
- (f) Do not submit the Common Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
- (g) 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.
- (h) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

**Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- (b) 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.
- (c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (d) Funds in the ASBA Account whose details are mentioned in the Common Application Form having been frozen pursuant to regulatory orders.
- (e) Account holder not signing the Application or declaration mentioned therein.

- (f) Submission of more than one Common Application Form for Rights Entitlements available in a particular demat account.
- (g) Multiple Common Application Forms, including cases where an Investor submits Common Application Forms along with a plain paper Application.
- (h) 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).
- (i) 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.
- (j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (k) Common Application Forms which are not submitted by the Investors within the time periods prescribed in the Common Application Form and the Letter of Offer.
- (l) Physical Common Application Forms not duly signed by the sole or joint Investors.
- (m) Common Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (n) 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.
- (o) Applications which: (i) does not include the certifications set out in the Common Application Form; (ii) appears to us or our agents to have been executed in or dispatched from a Restricted Jurisdiction; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Common Application Form is incomplete or acceptance of such Common Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Shares in respect of any such Common Application Form.
- (p) Applications which have evidence of being executed or made in contravention of applicable securities laws.

**Depository account and bank details for Investors holding Equity 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 SHARES IN 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 COMMON APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE COMMON APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE COMMON 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 COMMON 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 Common 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 Common 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 Common 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 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, 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 Common Application Forms are liable to be rejected.

## **MODES OF PAYMENT**

All payments against the Common Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Common Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Common Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Common Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Common Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the Common Application Form.

The SCSB may reject the application at the time of acceptance of Common Application Form if the ASBA Account, details of which have been provided by the Investor in the Common Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Common Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

### ***Mode of payment for Resident Investors***

- (a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Shares will be Allotted in the dematerialized form only.
- (b) 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.
- (c) Ensure that there are sufficient funds (equal to {number of Rights Shares (including additional Rights Shares) applied for} X {Application Money of Rights Shares}) available in ASBA Account mentioned in the Common Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (d) Ensure that you have authorized the SCSB for blocking funds equivalent to the amount payable on application mentioned in the Common Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (e) 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.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Common Application Form in physical form or plain paper Application.

Ensure that the name(s) given in the Common Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Common 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 Common Application Form and the Rights Entitlement Letter. All payments on the Common Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

### ***Mode of payment for Non-Resident Investors***

As regards the Application by non-resident Investors, payment must be made only through the ASBA facility and using permissible accounts in accordance with the FEMA, FEMA Rules and requirements prescribed by the RBI and subject to the following conditions:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Shares by applicable local securities laws can obtain Common 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 Common Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions (other than the United States and India) where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering such jurisdiction. The Letter of Offer will be provided, only through email, 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 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 and in each case who make a request in this regard.*

2. Common Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Shares may be restricted by applicable securities laws.
3. 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:**

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.
2. In case Rights Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Shares cannot be remitted outside India.
3. In case of a Common 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.
4. Common Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights 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.
5. 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.
6. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Shares.

#### **Multiple Applications**

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. 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*' on page 121 of this Draft Letter of Offer.

In cases where multiple Common Application Forms are submitted, including cases where an Investor submits Common Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in '*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group*' on page 36 of this Draft Letter of Offer.

#### **Last date for Application**

The last date for submission of the duly filled in the Common Application Form or a plain paper Application is [●], i.e., Issue Closing Date. Our Board or any committee thereof 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 Common Application Form is not submitted with an SCSB, uploaded with the BSE Limited 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 our Board or any committee thereof, the invitation to offer contained in

the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Shares hereby offered, as provided under the paragraph titled 'Basis of Allotment' on page 117 of this Draft Letter of Offer.

Please note that on the Issue Closing Date for Applications through ASBA process shall be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited.

Please ensure that the Common 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, applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

### Issue Schedule

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION*	[●]
ISSUE CLOSING DATE#	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

\* 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 committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 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, i.e. [●].

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, i.e. [●], 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 (2) Working Days prior to the Issue Closing Date, i.e., [●] 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, i.e [●].

For details, please see the section titled 'General Information - Issue Schedule' on page 33 of this Draft Letter of Offer.

### BASIS OF ALLOTMENT

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Common Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board or duly authorized committee will proceed to Allot the Rights Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Shares either in full or in part and also to the Renounee(s) who has or have applied for Rights Shares renounced in their favor, in full or in part.
- (b) 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 Share each if they apply for additional Rights Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Shares after allotment under (a) above. If number of Rights Shares required for Allotment under this head are more than the number of Rights 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.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Shares offered to them as part of this Issue, have also applied for additional Rights Shares. The Allotment of such additional Rights 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, i.e. [●], provided there are any unsubscribed Rights Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Shares will be at the sole discretion of our Board or our duly authorized committee in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

- (d) Allotment to Renounees who having applied for all the Rights Shares renounced in their favor, have applied for additional Rights Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights 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.
- (e) Allotment to any other person, that our Board or a duly authorized committee may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board or a duly authorized committee in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) 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 Shares in this Issue, along with:

1. 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;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. 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 send/ dispatch Allotment advice, refund intimations (or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret 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 Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialized mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of on or before T+1 day (T: Basis of allotment day). In case of failure to do so, our Company shall pay interest at 15% p.a. or such other rate as specified under applicable law from the expiry of such 15 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.

- (a) Unblocking amounts blocked using ASBA facility.
- (b) 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.
- (c) National Electronic Fund Transfer (“**NEFT**”) – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (“**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.

- (d) 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.
- (e) 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 Common 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.
- (f) 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.
- (g) 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 FCNR/NRE Account of the non-resident Applicants, details of which were provided in the Common Application Form.

#### **Allotment Advice or Demat Credit of Securities**

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (in case of credit of the Rights Shares returned/reversed/ failed) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

#### ***Receipt of the Rights Shares in Dematerialized Form***

**PLEASE NOTE THAT THE RIGHTS 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, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS WHERE THE CREDIT OF THE RIGHTS SHARES RETURNED/REVERSED/FAILED.**

Investors shall be Allotted the Rights Shares in dematerialized (electronic) form. Our Company has signed an agreement with NSDL and CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

**INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE BSE LIMITED ONLY IN DEMATERIALIZED FORM.**

The procedure for availing the facility for Allotment of Rights Shares in this Issue in the dematerialized form is as under:

1. 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.
2. 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.
3. The responsibility for correctness of information filled in the Common 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 Common Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Common Application Form, the Investor will not get any Rights Shares and the Common Application Form will be rejected.
5. The Rights Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Common Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ 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 Shares to the Applicant's depository account.

6. 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.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

#### **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-Issue 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 (*i.e.*, 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which maybe specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities 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 off shore 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 / centers 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 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 issue of the Rights Shares to Restricted Investors will also require 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 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 certificates from its statutory auditors or any independent chartered accountant based on the last audited consolidated 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 securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 1 millions 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 upto three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 millions 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 ₹ 5 million or with both.

#### **Payment by stock invest**

In terms of the 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 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 Common Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Common Application Form would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board or our duly authorized committee 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 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 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 4 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 Common Application Form carefully.

### **UTILISATION OF ISSUE PROCEEDS**

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) 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
- C. Details of all unutilized monies out of this Issue referred to under (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.

## UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- 1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2) All steps for completion of the necessary formalities for listing and commencement of trading at all BSE Limited where the Equity Shares are to be listed will be taken within the time limit specified by SEBI.
- 3) 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.
- 4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 (Fifteen) days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- 6) Adequate arrangements shall be made to collect all ASBA Applications.
- 7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

## MINIMUM SUBSCRIPTION

The Promoters of our Company through its letters dated Monday, July 11, 2022, have confirmed that they intend to subscribe in part or to the full extent of their Rights Entitlement and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Rights Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

The objects of the Issue involve Construction and Development of Warehouse and general corporate purposes. Further, our Promoters have undertaken that they will subscribe to the full extent of their Rights Entitlements and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favor of any other Promoter or member of the Promoter Group) subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI (LODR) Regulations.

## IMPORTANT

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Common Application Form, Abridged Draft Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.
2. All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Common Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Common Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Common Application Form and super scribed “Aayush Wellness Limited – Rights Issue” on the envelope and postmarked in India or in the email) to the Registrar at the following address:

**Skyline Financial Services Private Limited**

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

Contact Person: Mr. Anuj Rana

Tel. Number: 011 40450193-197

Email: ipo@skylinerta.com; grievances@skylinerta.com

Website: www.skylinerta.com

SEBI Registration No.: INR000003241

Validity: Permanent

Corporate Identification Number: U74899DL1995PTC071324

3. 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.skylinerta.com](http://www.skylinerta.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 011-29961281,29961282/83.
4. This Issue will remain open for a minimum 7 (Seven) days. However, our Board or our duly authorized committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the 'automatic route', where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the "government route", where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

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 way 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 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), 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 Circular 2020'**), which, with effect from October 15, 2020, consolidated and superseded 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 proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

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, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, 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 transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that:

1. The activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI (SAST) Regulations;
2. The non- resident shareholding is within the sectoral limits under the FDI Policy; and
3. The pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid to make any investment in the Issue.

Our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company to the Issue are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft 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 X – OTHER INFORMATION

Please note that the Rights Shares applied for under this Issue can be allotted only in dematerialised 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, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than 2 (Two) years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. The copies of these contracts and also the documents for inspection referred to hereunder, would be available on the website of the Company at [www.aayushwellness.com](http://www.aayushwellness.com) from the date of this Draft Letter of Offer until the Issue Closing Date.

## MATERIAL CONTRACTS FOR THE ISSUE

1. Registrar Agreement dated [Day], [•], between our Company and the Registrar to the Issue;
2. Bankers to the Issue Agreement dated [•] among our Company and the Registrar to the Issue and the Bankers to the Issue;

## MATERIAL DOCUMENTS IN RELATION TO THE ISSUE

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company;
2. Certificate of incorporation and fresh certificate of incorporation pursuant to change of name of our Company;
3. Copies of the annual report of our Company for the last 3 (Three) Financial Years for the Financial Year ending March 31, 2024, March 31, 2023; March 31, 2022
4. Resolution of our Board of Directors dated Tuesday, October 29, 2023, approving the Issue;
5. Resolution of our Board of Directors dated Monday, December 16, 2024, approving this Draft Letter of Offer;
6. Resolution of our Board of Directors dated [•], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio;
7. Resolution of our Board of Directors dated [•], approving the Letter of Offer;
8. Consents of our Directors, Bankers to our Company, Bankers to the Issue, and the Registrar to the Issue for inclusion of their names in the Letter of Offer to act in their respective capacities;
9. Report on Statement of Special Tax Benefits dated Monday, December 16, 2024, for our Company from the Statutory Auditors of our Company;
10. In-principle approval issued by BSE Limited dated [•];

Any of the contracts or documents mentioned in this Draft 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 notice to the Eligible Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

### SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

<b>Naveena Kumar Kunjaru</b> Managing Director	Sd/-
<b>Dr Lalit Kumar Anande</b> Non-executive -Independent Director	Sd/-
<b>Vishakha Umesh Jadhav</b> Non-executive -Independent Director	Sd/-
<b>Gavadu Somana Patil</b> Non-executive, Non Independent Director	Sd/-
<b>Pallavi Mittal</b> Non-Executive Director	Sd/-

**Date: December 16, 2024**

**Place: Mumbai**