



MISHTANN FOODS LIMITED

Our Company was incorporated under the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli under the name 'HICS Cements Private Limited' and a certificate of incorporation dated February 27, 1981. Pursuant to a resolution passed by our Shareholders in the Annual General Meeting held on September 25, 1994, our Company was converted from a private limited company into a public limited, consequent to which the name of our Company was changed from 'HICS Cements Private Limited' to 'HICS Cements Limited' and a fresh certificate of incorporation dated October 21, 1994, was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, pursuant to a special resolution passed by the Shareholders of our Company by way of voting through Postal Ballot for which results were declared on February 13, 2015, the name of our Company was changed from 'HICS Cements Limited' to 'Mishtann Foods Limited' and a fresh certificate of incorporation dated February 19, 2015, was issued by the Registrar of Companies, Gujarat at Ahmedabad. At the time of incorporation, our registered office was located at Shah Commercial Centre, Station Road, Bhuj – 370 001, Gujarat, India. Subsequently, pursuant to a resolution passed by the Shareholders in the AGM held on September 30, 2015, the Registered Office of our Company was shifted to C-808, Ganesh Meridian, Opp. High Court of Gujarat, S. G. Highway, Ahmedabad- 380 060, Gujarat, India with effect from September 30, 2015. Subsequently, pursuant to a resolution passed in the meeting of the Board of Directors of the Company held on July 27, 2023, the Registered Office of our Company was shifted to B-905, Empire Business Hub, Opp Shakti Farm, Science City Road, Sola, Ahmedabad-380 060, Gujarat, India with effect from July 28, 2023.

Registered Office: B-905, Empire Business Hub, Opp Shakti Farm, Science City Road, Sola, Ahmedabad- 380 060, Gujarat, India; **Tel:** +91 982 462 3116;

E-mail: info@mishtann.com; **Website:** www.mishtann.com; **Contact Person:** Shivangi Digant Shah, Company Secretary and Compliance Officer; **Corporate Identification Number:** L15400GJ1981PLC004170

OUR PROMOTER- HITESHKUMAR GAURISHANKAR PATEL		
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF MISHTANN FOODS LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY		
WE HEREBY CONFIRM THAT NIETHER OUR PROMOTER NOR OUR DIRECTORS ARE WILFUL DEFAULTERS OR FRAUDULENT BORROWER(S) AS ON DATE OF THIS DRAFT LETTER OF OFFER		
<p>ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE ₹ 1 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE "ISSUE PRICE"), AGGREGATING UPTO ₹ 5000 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARE(S) FOR EVERY [●] FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES OF THE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE 193 OF THIS DRAFT LETTER OF OFFER.</p>		
GENERAL RISKS		
<p>Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of the investors is invited to the section titled "Risk Factors" on page 16 of this Draft Letter of Offer.</p>		
OUR COMPANY'S ABSOLUTE RESPONSIBILITY		
<p>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 this Issue, which is material in the context of this 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.</p>		
LISTING		
<p>The existing Equity Shares are listed on BSE Limited ("BSE") and Metropolitan Stock Exchange of India Limited ("MSEI") (together, the "Stock Exchanges"). Our Company has received 'in-principle' approvals from BSE and MSEI for listing the Rights Equity Shares to be allotted pursuant to this Issue vide their letters dated [●] and [●]. For the purpose of this Issue, the Designated Stock Exchange is [●].</p>		
REGISTRAR TO THE ISSUE		
	<p>KFIN TECHNOLOGIES LIMITED Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana, India. Telephone: +91 406 716 2222 Toll-Free Number: 1800 309 4001 Email: mishtann.rights@kfintech.com Website: www.kfintech.com Investor grievance e-mail: einward.ris@kfintech.com Contact Person: M Murali Krishna SEBI Registration No.: INR000000221 Validity of Registration: Permanent</p>	
	ISSUE PROGRAMME	
ISSUE OPENS ON	LAST DATE FOR RECEIVING REQUESTS FOR APPLICATION FORMS*	ISSUE CLOSES ON **
[●]	[●]	[●]

*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 accounts of the Renounees on or prior to the Issue Closing Date.

**Our Board of Directors or its Committee thereof 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). Further, no withdrawal of the Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

Unless otherwise specified, the capitalized terms used in this Draft Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

Provided that terms used in the sections/ chapters titled “Industry Overview”, “Summary of this Draft Letter of Offer”, “Financial Information”, “Statement of Special Tax Benefits”, “Outstanding Litigation and Material Developments” and “Issue Related Information” on pages 78, 13, 116, 75, 135 and 155 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

General Terms

Term	Description
“Company”, “our Company”, “the Company”, “the Issuer” or “MFL”	Mishtann Foods Limited, a public limited company incorporated under the Companies Act, 1956, having its Registered Office at B-905 Empire Business Hub, Opp Shakti Farm, Science city Road, Sola, Ahmedabad- 380 060, Gujarat, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company, along with our Subsidiary, on a consolidated basis.

Company Related Terms

Term	Description
“Annual Audited Financial Statements”	The audited financial statements of our Company for Fiscal 2024, Fiscal 2023 and Fiscal 2022, prepared in line with Ind AS notified under the Companies Act, 2013, as amended read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
“Articles” / “Articles of Association” / “AoA”	Articles / Articles of Association of our Company, 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 Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“ SEBI Listing Regulations ”) and Section 177 of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” on page 101 of this Draft Letter of Offer.
“Auditor” / “Statutory Auditor”/ “Peer Review Auditor”	Statutory and peer review auditor of our Company, namely, M/s. J.M. Patel & Bros. , Chartered Accountants.
“Board” / “Board of Directors”	Board of directors of our Company or a duly constituted committee thereof.
“Chief Financial Officer / CFO”	Navinchandra Dahyalal Patel, the Chief Financial Officer of our Company.
“Company Secretary and Compliance Officer”	Shivangi Digant Shah, the Company Secretary and the Compliance Officer of our Company.
“Corporate Social Responsibility Committee/ CSR Committee”	The committee of the Board of directors constituted as our Company’s corporate social responsibility committee in accordance with Section 135 of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” on page 101 of this Draft Letter of Offer

“Director(s)”	The director(s) on the Board of our Company, unless otherwise specified, as described in the chapter titled “ <i>Our Management</i> ” on page 101 of this Draft Letter of Offer
“Equity Shareholder”	A holder of Equity Shares
“Equity Shares”	Equity shares of our Company of face value of ₹ 1 each, unless otherwise specified in context thereof.
“Executive Directors”	Executive Directors of our Company.
“Financial Information”	Collectively the Audited Financial Statements and Limited Reviewed Financial Information, unless otherwise specified in context thereof.
“Independent Director(s)”	The Independent Director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
“Key Management Personnel” / “KMP”	Key Management Personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled “ <i>Our Management – Key Managerial Personnel</i> ” on page 112 of this Draft Letter of Offer.
“Limited Reviewed Financial Information” or “Limited Reviewed Consolidated Financial Information” or “Limited Reviewed Financial Results”	The limited reviewed report dated July 13, 2024 on the unaudited consolidated financial results for the three-month period ended June 30, 2024, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34 ‘Interim Financial Reporting’ prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. For details, see “ <i>Financial Information</i> ” on page 116 of this Draft Letter of Offer.
“Memorandum of Association” / “MoA”	Memorandum of Association of our Company, 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 Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” on page 101 of this Draft Letter of Offer.
“Non-Executive and Independent Director”	Non-Executive and Independent Directors of our Company, unless otherwise specified.
“Non-executive Directors”	Non-executive Directors of our Company.
“Promoter”	The promoter of our Company, namely, Hiteshkumar Gaurishankar Patel
“Promoter Group”	Individuals and entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations.
“Registered Office”	The Registered Office of our Company located at B-905, Empire Business Hub, Opp Shakti Farm, Science City Road, Sola, Ahmedabad- 380 060, Gujarat, India.
“Registrar of Companies”/ “RoC”	Registrar of Companies, Registrar of Companies, Gujarat at Ahmedabad having its office at ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, Gujarat, India.
“Restated Financial Statements”/ “Restated Financial Information”/	Restated financial statements of our Company for the Fiscal 2024, Fiscal 2023 and Fiscal 2022, comprising (i) the restated statement of assets and liabilities for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, (ii) the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows and the restated statement of changes in equity for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, and (iii) notes thereto prepared in terms of the requirements of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time. For details, see “ <i>Financial Information</i> ” on page 116 of this Draft Letter of Offer.
“Rights Issue Committee”	The committee of our Board constituted for purposes of the Issue and incidental matters thereof.
“Senior Management”	Senior management of our Company determined in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations. For details, see “ <i>Our Management</i> ” on page 101 of this Draft Letter of Offer.

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions.

The Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue (collectively, the “**Issue Materials**”) will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address to our Company, 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 Material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent the Issue Materials.

Investors can also access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar and the Stock Exchanges. Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials, including the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, in the event the Issue Materials have been sent on the registered email addresses of such Eligible Equity Shareholders.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with Stock Exchanges for observations. In particular, the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any state of the United States and may not be offered or sold in the United States, except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The Rights Entitlements and Rights Equity Shares referred to in this Draft Letter of Offer are being offered in offshore transactions outside the United States in compliance with Regulation S under the Securities Act and in the United States to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act) in transactions exempt from the registration requirements under Section 4(a) of the Securities Act. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States or as a solicitation therein of an offer to buy any of such securities, except in each case to persons in the United States who are U.S. Qualified Institutional Buyers (“**QIBs**”). Accordingly, you should not forward or transmit this Draft Letter of Offer in or into the United States at any time. This Draft Letter of Offer, and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, and any other Issue Materials should not distribute or send this Draft Letter of Offer or any such documents 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 Draft Letter of Offer or any other Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares. For more details, see “*Restrictions on Foreign Ownership of Indian Securities*” beginning on page 216 of this Draft Letter of Offer.

NOTICE TO INVESTORS IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR THE TERRITORIES OR POSSESSIONS THEREOF, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES REFERRED TO IN THIS DRAFT LETTER OF OFFER ARE BEING OFFERED IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT AND IN THE UNITED STATES TO “QUALIFIED INSTITUTIONAL BUYERS” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS UNDER SECTION 4(a) OF THE SECURITIES ACT. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE

CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF SUCH SECURITIES, EXCEPT IN EACH CASE TO PERSONS IN THE UNITED STATES WHO ARE U.S. QIBs. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS DRAFT LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements and the Equity 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). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 216 of this Draft Letter of Offer.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, (A) in the United States when the buy order is made (other than persons in the United States who are U.S. QIBs) or (B) outside India or the United States, and not a corporate Shareholder acquiring the Rights Entitlements or Rights Equity Shares in compliance with laws of such other jurisdiction. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Issue Materials only to Eligible Equity Shareholders (i) who have provided an Indian address to our Company and (ii) to foreign corporate or institutional Shareholders in Identified Jurisdictions. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of this Draft Letter of Offer, that (i) it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made and (a) is either in India or (b) is in an Identified Jurisdiction (other than the United States) and a corporate Shareholder acquiring the Rights Entitlements or Rights Equity Shares in compliance with laws of its jurisdiction, or (ii) it is a U.S. QIB in the United States, and in each case is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States (unless the Application Form is submitted by a limited number of U.S. QIB in the United States); or (ii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or Allot any Rights Equity Shares in respect of any such Application Form.

Neither the receipt of this Draft Letter of Offer nor any sale of Rights Equity Shares in terms of this Draft Letter of Offer, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information. The contents of this Draft Letter of Offer should not be construed as legal, tax, business, financial 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 Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, our Company or its affiliates are not making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Entitlements or the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations. The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions. The Issue Materials are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

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

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

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

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

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

Financial Data

Unless stated otherwise or the context otherwise requires, the financial data in this Draft Letter of Offer is derived from the (a) restated financial statements of our Company as of and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, comprising (i) the restated statement of assets and liabilities for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, (ii) the restated statement of profit and loss (including other comprehensive income), the restated statement of cash flows and the restated statement of changes in equity for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, and (iii) notes thereto prepared in terms of the requirements of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, and (b) limited reviewed report dated July 13, 2024 on the unaudited consolidated financial results of our Company for the three-month period ended June 30, 2024, with the comparatives for the three-month period ended June 30, 2023, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34 ‘Interim Financial Reporting’ prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. For further information, see “*Financial Statements*” beginning on page 116 of this Draft Letter of Offer.

The GoI has adopted the Indian accounting standards (“**Ind AS**”), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (“**IFRS**”) and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the “**Ind AS Rules**”).

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. Our Company has presented all numerical information in this Draft Letter of Offer in “lakh” units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see “*Financial Information*” on page 116. Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter

of Offer,

(i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

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

Our Company has presented certain numerical information in this Draft Letter of Offer in “lakh” or “Lac” units. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Financial Information.

Exchange Rates

This Draft Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

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

Currency	Exchange Rate as on				
	As of June 30, 2024 (in ₹)	As of June 30, 2023 (in ₹)	As of March 31, 2024 (in ₹)	As of March 31, 2023 (in ₹)	As of March 31, 2022 (in ₹)
1 USD	83.45	82.04	83.37	82.21	75.81

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

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 16, this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD - LOOKING STATEMENTS

This Draft Letter of Offer contains certain “forward-looking statements”. Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the chapters titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Industry Overview*”. Forward-looking statements include statements concerning our Company’s plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company’s competitive strengths and weaknesses, our Company’s business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is non-historical information. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “likely”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek to”, “will”, “will continue”, “will pursue”, “forecast”, “target”, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to 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, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally 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 laws, regulations and taxes, incidence of 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:

- passing of any adverse orders by the Additional Chief Metropolitan Magistrate, Ahmedabad against our Company in the criminal complaint filed by the Central Goods and Services Tax, Commissionerate, Gandhinagar on the grounds of evasion of payment of Goods and Services Tax;
- inability to adequately reply to the Securities and Exchange Board of India in the investigation initiated against us, which is currently ongoing;
- inability to renew the formal arrangements executed with our customers on whom we are dependent upon for a significant portion of our revenue;
- inability to renew the formal arrangements executed with two of our key suppliers on whom we are significantly dependent upon for raw material procurement; and
- volatility or downturn in the agro-commodity industry leading to reduction in the demand of Basmati rice.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 16, 87 and 164 respectively, of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct.

Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

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

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

SUMMARY OF THIS DRAFT LETTER OF OFFER

The following is a general summary of the terms of this Issue, and 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*”, “*The Issue*”, “*Capital Structure*”, “*Objects of the Issue*”, “*Our Business*”, “*Industry Overview*”, “*Outstanding Litigation and Material Developments*” and “*Terms of the Issue*” on pages 16, 62, 68, 70, 87, 78, 175 and 193 respectively.

Summary of Industry

India is among the highest consumer of the rice just after China in terms of both value as well as volume also India the top rice exporting nation globally. Indian rice market is divided into organized as well as unorganized sector. The unorganized sector contributes a massive part in Indian rice market since ages as people used to buy rice in large quantity because of its higher consumption. Indian rice sector is getting transformed slowly and gradually from unorganized to organized sector which is also called a packed rice segment.

For further details, please refer to the chapter titled “*Industry Overview*” at page 78 of this Draft Letter of Offer.

Summary of primary Business

We are engaged in the business of processing and packaging of fast-moving consumer goods, such as Basmati rice and wheat and marketing and selling of pulses and salt. We are primarily involved in the business of processing and marketing of un-branded Basmati rice in the domestic market. We process and market different grades of Basmati rice of various sizes, flavors and fragrance. In addition to Basmati rice, our Company has also forayed into procurement, storage, sorting, packaging and distribution of wheat, pulses and edible salt through a third-party manufacturer.

For further details, please refer to the chapter titled “*Our Business*” at page 87 of this Draft Letter of Offer.

Our Promoter

The Promoter of our Company is Hiteshkumar Gaurishankar Patel.

For further details please see chapter titled “*Our Promoter*” beginning on page 113 of this Draft Letter of Offer.

Objects of the Issue

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

<i>(₹ in lakhs)</i>	
Particulars	Amount
To augment the existing and incremental working capital requirement of our Company	Upto 4,000
General Corporate Purposes*	[●]
Net proceeds from the Issue**	[●]

*To be finalized upon determination of Issue Price and updated in the Letter of Offer. The amount shall not exceed 25% of the Issue Proceeds.

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

For further details, please see chapter titled “*Objects of the Issue*” beginning on page 70 of this Draft Letter of Offer.

Summary of Financial Information

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

(₹ in lakhs)

S. No.	Particulars	As of and for the Three-month period ended		As of and for the Financial Years ended		
		June 30, 2024	June 30, 2023	March 31, 2024	March 31, 2023	March 31, 2022
1.	Share Capital	10,296.00	10,000.00	10,296.00	10,000.00	5,000.00
2.	Net Worth	67,220.26	21,912.52	53,772.21	14,346.92	9,822.83
3.	Revenue from operations	38,266.58	29,394.49	1,28,537.99	65,038.52	49,857.92
4.	Profit after Tax	7,130.27	6,891.39	33,847.71	4,484.50	2,928.09
5.	Earnings per Share	0.67	0.69	3.37	0.448	0.293
6.	Net Asset Value per equity share	6.53	2.19	5.22	1.43	1.96
7.	Total borrowings	2,524.96	5,401.90	4,083.86	5,449.85	3,485.64

For further details, please refer the section titled “*Financial Information*” on page 116 of this Draft Letter of Offer.

Summary of Outstanding Litigation

(GYR Note Please confirm the same)

A summary of the pending tax proceedings and other material litigations involving our Company, our Promoter, our Directors and our Subsidiary is provided below:

(₹ in lakhs)

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Material Civil Litigation	Aggregate amount involved (₹ in lakhs)
Company						
By our Company	3	1	-	-	1	11,202.86
Against our Company	1	1	2	13	5	10,495.43
Directors[^]						
By our Directors	4	Nil	-	-	1	Not quantifiable
Against our Directors	3	Nil	Nil	Nil	Nil	Not quantifiable
Promoter						
By our Promoter	4	Nil	-	-	1	Not quantifiable
Against our Promoter	3	Nil	Nil	Nil	Nil	Not quantifiable
Subsidiary						
By our Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
Against our Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil

[#]To the extent quantifiable.

[^]These matters pertain to our Promoter, Chairman and Managing Director, Hiteshkumar Gaurishankar Patel.

For further details, please refer the chapter titled “*Outstanding Litigation and Material Developments*” on page 175 of this Draft Letter of Offer.

Risk Factors

Please see the chapter titled “*Risk Factors*” beginning on page 16 of this Draft Letter of Offer.

Summary of Contingent Liabilities

The details of our contingent liabilities as of March 31, 2024, see “*Financial Statements – Restated Financial Statements – Notes to Restated Financial Statements – Note 36: Contingent Liabilities and Commitments*” on page 116 of this Draft Letter of Offer.

Summary of Related Party Transactions

For details regarding our related party transactions for the Financial Years ended 2024, 2023 and 2022, see “*Financial Statements – Restated Financial Statements – Notes to Restated Financial Statements – Note 40: Related party disclosures*” on page 116 of this Draft Letter of Offer.

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

Our Company has not undertaken an issuance of equity shares for consideration other than cash in the last one year.

Split or consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of Equity Shares in the last one year.

Exemption from complying with any provisions of securities laws, if any, granted by the Securities and Exchange Board of India

Our Company has not been granted any exemption from complying with any provisions of securities laws by the Securities and Exchange Board of India.

SECTION II - RISK FACTORS

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

*To obtain a complete understanding, you should read this section in conjunction with the sections “Industry”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 78, 87 and **Error! Bookmark not defined.** of this Draft Letter of Offer, respectively. The industry-related information disclosed in this section has been derived from publicly available information as well as industry publications and sources.*

This Draft Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled “Forward-Looking Statements” on page 11 of this Draft Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Financial Information, prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

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.

In this section, unless the context requires otherwise, any reference to “we”, “us” or “our” refers to Mishtann Foods Limited.

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

INTERNAL RISK FACTORS

BUSINESS RELATED RISKS

- 1. The Central Goods and Services Tax, Commissionerate, Gandhinagar had initiated an investigation against our Company and our Promoter, Chairman and Managing Director, Hiteshkumar Gaurishankar Patel, on the grounds of evasion of payment of Goods and Services Tax, which also lead to the arrest of our Promoter. Post conclusion of the investigation, the Central Goods and Services Tax, Commissionerate, Gandhinagar has filed a criminal complaint against our Company and our Promoter before the Additional Chief Metropolitan Magistrate, Ahmedabad. In the event any adverse orders are passed against our Company or our Promoter, or if an order directing the arrest of our Promoter is passed, it would have a significant impact on our business, results of operations and financial condition.***

The Central Goods and Services Tax, Commissionerate, Gandhinagar (“**Commissionerate**”) had initiated investigation against our Company and our Promoter, Chairman and Managing Director, Hiteshkumar Gaurishankar Patel by conducting simultaneous inspection under Section 67(1) of the CGST Act, 2017 at our factory and Registered Office. Pursuant to the inspections, it was alleged that the Commissionerate gathered evidence regarding supply of ‘Basmati rice’ of various quality/grades by our Company without payment of applicable GST by wrongly availing the exemption provided under the Notification. No 02/2017 & 28/2017-CT (Rate) dated June 28, 2017 and September 22, 2017. It was further alleged that our Company and our Promoter had effected supplies worth ₹ 1,44,706 lakhs of Basmati rice during the period from July 1, 2017 to February 28, 2021, without payment of applicable GST by wrongly availing the exemption provided under the Notification. No 02/2017 & 28/2017-CT (Rate) dated June 28, 2017 and September 22, 2017. Pursuant to the investigation, the Commissionerate alleged that our Company and our Promoter have contravened, (i) the provisions of sub-section (1) of Section 31 of the CGST Act, 2017 by not issuing a tax invoice as the good sold attracted GST @ 5% in terms of the circulars issued under the CGST Act, 2017; (ii) the provisions of sub-section of Section 33 of the CGST Act, 2017, as our Company and our Promoter failed to indicate the amount of tax in the invoice or any other documents; (iii) the provisions of Section 39 of the CGST Act, 2017, as our Company and our Promoter failed to furnish a correct return of goods supplied and tax payable thereon; (iv) provision of Section 59 of the CGST Act, 2017, as our Company and our Promoter failed to self-assess the taxes payable and furnish a return for the same; (v) provisions of Rule 138 of the CGST Rules, 2017 for clearing the taxable goods without generation of E-way Bills; and (vi) provisions of Section 701 of the CGST Act, 2017 as our Promoter allegedly failed to comply with summons issued to appear for statement and to submit the required details and documents. It was further alleged that by contravening with the aforementioned provisions, our Company and our Promoter evaded GST to the tune of ₹ 7,235 lakhs @ 5% on total clearance value of goods of ₹ 1,44,706 lakhs from FY 2017-2018 to FY 2020-21. Pursuant to the above, the Commissionerate arrested our Promoter under Section 132(1)(a) of the CGST Act, 2017 and a criminal complaint was filed by Superintendent, Central GST & Central Excise, Gandhinagar against our Company and our Promoter Hiteshkumar Gaurishankar Patel before the Additional Chief Metropolitan Magistrate, Ahmedabad under Sections 132 and 137 of the CGST Act/ GGST Act, 2017. The matter is currently pending and our Promoter has been released on bail.

In furtherance of the above proceedings, our Company and our Promoter have filed a special civil application before the Hon’ble High Court of Gujarat at Ahmedabad against Union of India, Superintendent (Prev.) Gandhinagar Preventive Section, Central GST & Central Excise and others under Article 226 of the Constitution of India challenging the inspections dated February 19, 2021 and April 20, 2022 authorized by the Commissionerate under Section 67(1) of CGST Act, 2017 and multiple summons issued by the Central Goods and Services Tax, Commissionerate, Gandhinagar between February 19, 2021 to April 22, 2022 under section 70 of the CGST Act, 2017. Our Company and our Promoter in the special civil application have prayed the Hon’ble High Court of Gujarat to pass an order *inter alia* quashing and setting-aside the summons issued against our Promoter as well as the proceedings initiated against our Company and our Promoter.

Any adverse orders passed in the aforementioned proceedings could have a material and significant impact on our Company. In the event our Company is required to pay the amount of the GST which was allegedly evaded by our Company, it could strain our financial resources and our Company may also be required to avail loans and borrowings to make payment towards the evaded amount. Furthermore, if an order directing the arrest of our

Promoter, Hiteshkumar Gaurishankar Patel, who is also the Chairman and Managing Director of our Company is passed, it could have a significant impact on the business and operations of our Company as our Promoter oversees the overall functioning of our Company and therefore our Company is significantly dependent upon our Promoter for its business operations. Upon the occurrence of any of the aforementioned events, our Company may seek further legal recourse, which could be time consuming and costly and the outcome cannot be guaranteed. While any other aforementioned events have not occurred, however we cannot assure you that occurrence of any such events would not adversely affect our business operations, financial conditions, reputation and image. For further details, please see “*Outstanding Litigation and Material Developments*” on page 175.

2. *The Securities and Exchange Board of India has undertaken a disciplinary action against our Company in the preceding five years. Further, the Securities and Exchange Board of India has initiated an investigation against our Company, which is currently ongoing. Any adverse outcome in the investigation, could have a material impact on our business operations, financial condition and the reputation of our Company.*

The Securities and Exchange Board of India (“SEBI”) had undertaken a disciplinary action against our Company and its *erstwhile* Directors, namely, Ketan Kantilal Khimani, Kantilal Jagjivan Khimani and Prashant Kantilal Khimani, on account of failure on part of our Company to redress investor complaints pending against our Company on the SCORES portal. SEBI had issued a notice dated February 3, 2015 to our Company and our *erstwhile* Directors inquiring about the failure on part of our Company to redress investor complaints pending against our Company on the SCORES portal. Our Company replied to the notice dated January 17, 2020 stating that all the pending investor complaints against our Company have been resolved. Subsequently, a whole-time member of SEBI passed an order dated February 20, 2020 (“**Order**”) stating that there are certain complaints which are still pending for resolution and therefore directed our Company to take urgent steps to resolve those pending complaints and file a satisfaction report to SEBI within a period of 45 days. Thereafter, a show cause notice dated October 16, 2020 was issued to our Company by SEBI alleging that our Company failed to submit any updated reply in SCORES for the pending investor grievances within 45 days from the date of the Order and that thirteen unresolved investor complaints were pending against our Company as on July 27, 2020. Thereafter an Adjudicating Officer appointed by SEBI (“**AO**”) passed an order dated November 27, 2020 wherein a charge of non-compliance of the directions issued *vide* the Order was established against our Company and pursuant to the said order, the AO imposed a penalty of ₹ 15.00 lakhs on our Company. Our Company has made a payment of ₹ 15.00 lakhs towards the order dated November 27, 2020 passed by the AO on January 7, 2021.

In addition to the above, our Company has received a letter dated April 26, 2023 from the Assistant General Manager, Corporation Finance Investigation Department, SEBI in respect of an investigation which has been initiated against our Company. The Assistant General Manager had sought certain documents and details relating to the related party transactions undertaken by our Company in the preceding five years. Our Company has *vide* an email dated May 4, 2023 replied to the aforementioned letter and has also provided the documents sought by the Assistant General Manager. While, our Company has not received any further correspondence from SEBI in this regard, however the matter is currently pending.

Furthermore, our Company has received a warning letter dated May 31, 2023 bearing number SEBI/HO/CFD/SEC-II/OW/P/2023/22300/1 from SEBI in respect of the delay of one hundred and seventy days caused by our Company in intimating the arrest of our Promoter and Managing Director, Hiteshkumar Gaurishankar Patel to the Stock Exchanges under Regulation 30 of the SEBI Listing Regulations. SEBI in its letter informed our Company that the aforementioned non-compliance has been viewed seriously and warned our Company to comply with all applicable provisions of SEBI Regulations and that any aberrations in future would be viewed seriously and appropriate action would be initiated.

We cannot assure you that the ongoing investigation will not result in an adverse outcome, which could lead to institution of legal proceedings against our Company. Any adverse outcome or initiation of legal proceeding could strain our financial resources and could be time consuming. In the event, a fine or a penalty is required to be paid by our Company, we may have to divert the funds proposed to be utilised towards the business and operation of our Company or we may have to avail secured and unsecured borrowings, which could strain our resources and result into a liquidity crisis for our Company. Upon the occurrence of any of the aforementioned events, our Company may seek further legal recourse, which could be time consuming and costly and the outcome cannot be guaranteed. While any other aforementioned events have not occurred, however we cannot assure you that occurrence of any such events would not adversely affect our business operations, financial conditions, reputation and image. For further details, please see “*Outstanding Litigation and Material Developments*” on page 175.

3. ***We are significantly dependent upon Mishtann Shoppee India Private Limited and Button Industries Private Limited for a significant portion of our revenue. 99.43% of our standalone revenue was contributed by the aforementioned customers, during the Fiscal ended March 31, 2024. Any decrease in revenues or sales from such customers may adversely affect our business and results of operations.***

Our Company is engaged in the business of processing and packaging of fast moving consumer goods, such as Basmati rice and wheat and marketing and selling of pulses and salt. Our Company is dependent upon two customers of our products, namely, Mishtann Shoppee India Private Limited and Button Industries Private Limited for a significant portion of our revenue. Our Company has entered into sale contracts with Mishtann Shoppee India Private Limited and Button Industries Private Limited, whereby our Company has agreed to supply various grades of Basmati rice, various types of wheat, iodized salt, rock salt and crystal salt, at a pre-determined minimum order quantity and quality. The price of the aforementioned products are decided as per prevailing market prices. The details of revenue earned by our Company from Mishtann Shoppee India Private Limited and Button Industries Private Limited during the three-month period ended June 30, 2024 and the Fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022 have been provided below:

(₹ in lakhs)

S. No.	Name of the customer	Three-month period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
		Amount of revenue earned	% of total revenues (stand-alone)	Amount of revenue earned	% of total revenues (standalone)	Amount of revenue earned	% of total revenues	Amount of revenue earned	% of total revenues
1.	Mishtann Shoppee India Private Limited	6,253.29	51.10	455.18	1.41	15,088.84	23.20	38,927.99	78.08
2.	Button Industries Private Limited	5,969.17	48.78	31,601.53	98.00	49,472.15	76.07	10,628.76	21.32

The demand of our products is directly proportional to the ability of our customers to effectively market and sell our products to the end use customers. Therefore, the commercial success of our business is highly dependent on the commercial viability and success of the business operations of our customers. Any downturn in the business operations of our customers could have a direct impact on the demand of our products and our business operations. Any disturbance in the industry in which our customers supply their end use products could adversely impact our business due to our high dependence on our customers. A reduction in the demand, development and production activities of our customers, may correspondingly cause a decline in the demand for our products due to a slump in the business activities of our customers. Alternatively, in the event our customers are able to source our products at cheaper prices from our competitors, it may conversely result in a reduction in the demand of our products and have a material adverse effect on our business, financial condition and results of operations. While the aforementioned events have not materially occurred in the past, however, occurrence of any such events could materially affected our financial condition, results of operations and prospects.

We have entered into sales contracts with our customers for a period of one year and the renewal of our sale contracts is subject to the mutual agreement between our Company and our customers. We cannot assure you that our customers will not terminate such agreement or will renew the agreements in a timely manner. In the event we fail to execute the terms of the sales contracts or if we breach any covenant of such contract, our customers may terminate the sales contracts or initiate legal proceedings against us. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. While the aforementioned events have not materially occurred in the past, however, occurrence of any such events could materially affected our financial condition, results of operations and prospects.

We cannot assure you that we will be able to continue to renew the arrangements with our customers on terms that are commercially acceptable to us, or at all. We also cannot assure you that our customers shall fulfil their obligations under such agreements entirely, or at all, shall not breach certain terms of their arrangements with us, including with respect to payment obligations or shall not choose to terminate their arrangements with our

Company. Since, we do not deal with the end users of our products, such conflicts and non-renewal of such contracts may lead to depletion of our customer base thereby adversely affecting our sales and consequently our business and results of operations. While the aforementioned events have occurred in the past, however, occurrence of any such events did not have a material effect on our business operations, however we cannot assure you that any future events will not could materially affected our financial condition, results of operations and prospects

Further, neither do we have any exclusive agents, dealers, distributors nor have we entered into any agreements with any of the market intermediaries for selling or marketing our products. If there occurs any change in the market conditions, requirements of our customers, or if we fail to identify and understand evolving industry trends, preferences or fail to meet our customers' demands, it might have a direct impact on our revenue and customer base. The inability to procure new orders on a regular basis or at all may adversely affect our business, revenues, cash flows and operations.

4. We highly depend on our raw materials and two of our key suppliers who help us procure the same. Our inability to obtain raw material in a timely manner, in sufficient quantities could adversely affect our operations, financial condition and/or profitability.

Our Company is engaged in the business of processing and packaging of fast moving consumer goods, such as Basmati rice and wheat and marketing and selling of pulses and salt. Our major raw material for processing Basmati rice is raw Basmati rice, and our raw materials for processing of wheat is raw wheat. We have executed a memorandum of understanding with two of our suppliers, namely Cropberry Foods Private Limited and Artlay Agritech Private Limited from whom we purchase raw Basmati rice and salt for our business operations. Details of the goods purchased by our Company from Cropberry Foods Private Limited and Artlay Agritech Private Limited during the three-month period ended June 30, 2024 and the Fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022 have been provided below:

S. No.	Name of the customer	Three-month period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
		Amount of raw material procured (in MT)	% of raw material procured from supplier	Amount of raw material procured (in MT)	% of raw material procured from supplier	Amount of raw material procured (in MT)	% of raw material procured from supplier	Amount of raw material procured (in MT)	% of raw material procured from supplier
1.	Cropberry Foods Private Limited	8,321.90	50.58	22,919.20	55.30	47,655.10	59.55	27,655.75	43.73
2.	Artlay Agritech Private Limited	7,028.80	42.72	16,425.95	39.63	27,481.70	34.34	28,395.60	44.90

Details of the expenditure incurred by our Company towards the goods purchased from Cropberry Foods Private Limited and Artlay Agritech Private Limited during the three-month period ended June 30, 2024 and the Fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022 have been provided below:

(₹ in lakhs)

S. No.	Name of the customer	Three-month period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
		Amount of expenses incurred	% of total expenses	Amount of expenses incurred	% of total expenses	Amount of expenses incurred	% of total expenses	Amount of expenses incurred	% of total expenses
1.	Cropberry Foods Private Limited	5,904.58	49.02	16,520.60	55.00	33,571.36	60.86	19,458.94	43.86
2.	Artlay Agritech Private Limited	5,421.20	45.01	11,807.42	39.31	19,639.39	35.60	19,760.20	44.54

We are dependent on our key suppliers for procuring our raw materials, for manufacturing our products. During the three-month period ended June 30, 2024 and the Fiscals 2024, 2023 and 2022, our cost of raw material consumed amounted to 81.91%, 72.52%, 86.68% and 88.85% of our revenue from operations, respectively. We have entered into formal agreements with our suppliers and therefore are completely dependent upon them for timely delivery of quality raw materials. In the event, we experience significant increase in demand, we cannot assure you that we will be able to meet such demand or find suitable substitutes, in a timely manner and at reasonable costs, or at all. Since, we are dependent upon a limited number of suppliers for procurement of raw materials required for manufacturing our products, our ability to source quality raw material in a timely and cost-effective manner is significantly limited. Further, in accordance with the formal agreements executed by our Company with our suppliers, our Company is mandated to check the quality of raw materials on a sample basis and verify the same with the goods which are dispatched to us, prior to their unloading. Once the raw materials are unloaded, the formal agreements executed with our suppliers restrain us from raising any quality issues, unless the same are reported by the market intermediaries. Therefore, in the event after purchase of raw materials, if the quality of our raw materials are sub-standard, we may not be able to return the same to our suppliers or obtain a refund for the amount spent towards purchase of raw materials. We may have to order a fresh batch of raw materials for our manufacturing process, which may be costly and time consuming. Further, in the event we are unable to detect defects in the quality of our raw materials, which in turn lead to defects in the finished products manufactured by us, we may face product liability claims which could impact our image and reputation. In view of the formal agreements with our suppliers, we may not be able to initiate claims relating to the quality of the raw materials or receive refund for the amount spent by us towards purchase of raw materials. While the aforementioned events have not materially occurred in the past, occurrence of any such events in the future may adversely affect our business operations and financial conditions. Non-availability or inadequate quantity of raw material or use of substandard quality of the raw materials in the manufacture of our products, could have a material adverse effect on our business. Further, any discontinuation of supply by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality and quantity could hamper our manufacturing schedule. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, since we have executed formal agreements with our suppliers, replacing our suppliers could be a time-taking process and may also lead to breach of our agreements with them. We may need to litigate our suppliers or litigations may be filed against us for any breach or termination of the contract, such litigation could be time consuming and costly and the outcome cannot be guaranteed. Further, the term of the contracts entered by our Company with our suppliers is for a period of one year, which are renewable at the end of the term, for additional periods, on terms mutually agreed between the parties, on expiry of such contracts, our Company or our suppliers may not renew the contracts. On the occurrence of any of the aforementioned events, we may need to find a new supplier for purchasing our raw materials, which could be time taking and costly. We cannot assure you that any other suppliers that we engage would be able to supply raw materials compliant with our quality standards, in a timely and cost effective manner or at all. While the aforementioned events have occurred in the past, wherein a supplier had failed to deliver raw materials to us and had issued cheques for returning the amount paid by us as advance. The cheques issued by the supplier were dishonoured and we had instituted criminal cases against our supplier on account of the same. For further details, please see “*Outstanding Litigation and Material Developments*” on page 135. Any future occurrence of any such events could materially affect our financial condition, results of operations and prospects. Further, the amount of raw materials procured and the price, at which we procure such materials, may fluctuate from time to time. In addition, the availability and price of our raw materials may be subject to a number of factors beyond our control, including economic factors, seasonal factors, environmental factors and changes in government policies and regulations. Majority of our raw materials are sourced by our suppliers from farmers and therefore timely delivery of raw materials is highly dependent upon seasonal and environmental factors. Any adverse seasonal change could reduce the supply of our raw materials and therefore increase the costs of our raw materials, which we may not be able to pass to our customers. We cannot assure you that we will always be able to meet our raw material requirements at prices acceptable to us, or at all, or that we will be able to pass on any increase in the cost of raw materials to our customers. Further, we also cannot assure you with a reasonable certainty that the raw materials that we would procure in the future will not be defective. Any inability on our part to procure sufficient quantities of raw materials, on commercially acceptable terms, may lead to a decline in our sales volumes and profit margins which could adversely affect our business, results of operations and financial condition. While the aforementioned events have not occurred in the past, future occurrence of any of these events could affect our financial condition, results of operations and prospects.

5. ***There are significant differences between the Audited Financial Statements for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the Restated Financial Statements for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022.***

There are significant differences between the Audited Financial Statements and the Restated Financial Statements, details of which have been provided below:

- a) Our Statutory Auditor had not included and provided for certain mandatory impacts and schedules in the Audited Financial Statements. Details of the impacts and schedules have been provided below:
 - i) Fair Value Measurement (Indian Accounting Standard (Ind AS) 113);
 - ii) Disclosure under Para Y of Schedule III of the Companies Act (Additional Regulatory Information);
 - iii) Reconciliation as per Para 81 of Ind AS 12;
 - iv) Financial Risk Management;
 - v) Impact of Ind AS 116; and
 - vi) Impact of Fair Value of Investment in Shares.

6. ***Our Company has entered into a memorandum of understanding dated December 27, 2021 with the Government of Gujarat, as part of Investment Promotion Activity for Vibrant Gujarat Summit 2022, to manufacture Grain Based Ethanol at Sabarkantha. Our Company proposes to set up a new Grain Based Ethanol in accordance with the memorandum of understanding to manufacture Grain Based Ethanol. We cannot assure you that the proposed manufacturing unit will become operational as scheduled, or at all, or operate as efficiently as planned. If we are unable to commission our new manufacturing unit in a timely manner or without cost overruns, it may adversely affect our business, results of operations and financial condition.***

In addition to our existing manufacturing unit located in Sabarkantha District of Gujarat, we are in the process of setting up another manufacturing unit for grain based ethanol at Sabarkantha. Our Company has entered into a memorandum of understanding dated December 27, 2021 with the Government of Gujarat, as part of Investment Promotion Activity for Vibrant Gujarat Summit 2022, to manufacture Grain Based Ethanol at Sabarkantha. The proposed capacity of the proposed manufacturing unit shall be 1,000 KLPD, the proposed investment in this project shall be of ₹ 2,25,000 lakhs and the project shall commence from 2024. Our expansion plan may be subject to delays and other risks, among other things, unforeseen engineering or technical problems, disputes with workers, force majeure events, unanticipated cost increases or changes in scope and delays in obtaining certain property rights and government approvals and consents. Additionally, we may face risks in commissioning the proposed unit including but not limited to, delays in the construction of our proposed manufacturing unit, problems with its facilities or for other reasons, our proposed manufacturing unit does not function as efficiently as intended, or utilisation of the proposed unit is not optimal, we may not be able to take additional orders to produce anticipated or desired revenue as planned any of which could result in delays, cost overruns or the termination of the project.

Our Company has experienced cost-overruns in the past while setting up of its manufacturing unit. Owing to the cost-overruns, our erstwhile promoters could not commence commercial operations of our Company. Our Company started its commercial operations during the Financial Year 2016, when Hiteshkumar Gaurishankar Patel, our Promoter, along with certain members of our Promoter Group, in January 2015, acquired the entire equity share capital of our Company (then known as Hics Cements Limited) from K.J. Khimani, Prashant Kantilal Khimani, Ketan Kantilal Khimani and K.J. Khimani – HUF and certain other shareholders. In view of the financial crisis and the cost-overruns of the projects undertaken by the *erstwhile* promoter, our Company could not start its commercial operations prior to 2016. We cannot assure you that we will not experience cost-overruns while setting up of our new manufacturing unit. In the event of any delay in the schedule of implementation of our proposed manufacturing unit or if we are unable to complete the project as per the scheduled time, it could lead to revenue loss. If our proposed project is not commissioned at the scheduled time, our Company may face cash crunch to repay the interest obligations. Further, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost over-runs and any loss of profits resulting from such delays, shortfalls and disruptions. As a result our business, financial condition, results of operations and prospects could be materially and adversely affected.

7. **As of March 31, 2024, 12.00% of our revenue is earned from the sale of Salt and 63.83% from the sale of Basmati Rice compared to 50.23% and 49.26% of our standalone revenue is earned from Salt and Basmati rice respectively in Fiscal 2023. Our Company is reliant on the demand for both Basmati rice and Salt for a significant portion of our revenue. Any downturn in the agro-commodity industry leading to reduction in demand for our products or an inability to increase or effectively manage our sales could have an adverse impact on our Company's business and results of operations.**

Our business operations are significantly dependent upon the revenue earned from the sale of Basmati rice and Salt. The revenue generated from the sale of Basmati rice & Salt together constitutes 51.29%, 75.83%, 99.49% and 97.08% of our revenue from operations for the three-month period ended June 30, 2024 and for the Financial Years 2024, 2023 and 2022. The standalone revenues generated from the sale of Basmati rice & Salt together for the three-month period ended June 30, 2024 and for the Financial Years 2024, 2023 and 2022 were ₹19,625.87 lakhs, ₹97,682.35 lakhs, ₹64,703.91 lakhs and ₹48,398.97 lakhs, respectively. The details of revenue earned by our Company from the sale of its products, other than Basmati rice & Salt during the three-month period ended June 30, 2024 and the Fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022 have been provided below:

(₹ in lakhs)

S. No.	Name of the product	Three-month period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
		Amount of revenue Earned	% of total revenues	Amount of revenue earned	% of total revenues	Amount of revenue Earned	% of total revenues	Amount of revenue earned	% of total revenues
1.	Wheat	-	-	-	-	334.61	0.51	161.67	0.32
2.	Pulses	1,718.40	4.49	4,026.77	3.13	-	-	1,297.28	2.60
3.	Lentils*	1,305.83	3.42	3,901.72	3.03	-	-	-	-
4.	Peas & Bean*	10,146.34	26.51	16,091.98	12.49	-	-	-	-
5.	Thai Jasmine Rice*	4,292.40	11.22	7,105.73	5.52	-	-	-	-

*These products are sold and marketed by our Subsidiary, GROW AND GRUB NUTRIENTS FZ-LLC.

In the event, our competitors develop a unique or innovative mechanism of processing Basmati rice and Salt, it may have an adverse impact on the demand for our products. Similarly, in the event of development of any new breakthrough technology or machinery for processing Basmati rice and Salt by our competitors or customers, our products may become obsolete or be substituted by such alternatives; thereby impacting our revenues and profitability adversely. It may also happen that our competitors are able to improve the efficiency of their manufacturing process or their distribution or raw materials sourcing process and thereby offer their similar or high-quality products at lower price our Company may be unable to adequately react to such developments which may affect our revenues and profitability. While the aforementioned events have not occurred in the past, future occurrence of any of these events could affect our financial condition, results of operations and prospects.

- 8. Our Company is dependent on our third party manufacturer for manufacturing of pulses, iodized salt and rock salt in accordance with the specification and quality standards prescribed by our customers. We have engaged only on third party manufacturer and we have not entered into any formal contract with the said manufacturer. Any failure on part of such manufacturer to meet their obligations could adversely affect our business, financial condition and results of operation.**

Our Company is engaged in the business of processing and packaging of fast moving consumer goods, such as Basmati rice and wheat and marketing and selling of pulses and salt. We process raw Basmati rice and raw wheat in our in-house manufacturing unit and thereafter market and sell them. Further, we source finished pulses, iodized salt and rock salt from our third party manufacturer in accordance with the requirements of our customers and then market and sell them. The details of the expenses incurred towards sourcing of finished pulses, iodized salt and rock salt from our third party manufacturer along with the details of the revenues earned towards the market and sale of the said products during the three-month period ended June 30, 2024 and the Fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022 has been provided below:

(₹ in lakhs)

Products	Three-month period ended June 30, 2024				Financial Year ended March 31, 2024				Financial Year ended March 31, 2023				Financial Year ended March 31, 2022			
	Amount of expenditure incurred towards sourcing of products	% of total expenditure	Amount of revenue earned from the sale of products	% of total revenue	Amount of expenditure incurred towards sourcing of products	% of total expenditure	Amount of revenue earned from the sale of products	% of total revenue	Amount of expenditure incurred towards sourcing of products	% of total expenditure	Amount of revenue earned from the sale of products	% of total revenue	Amount of expenditure incurred towards sourcing of products	% of total expenditure	Amount of revenue earned from the sale of products	% of total revenue
Pulses	1,117.50	9.28	1,177.75	9.62	-	-	-	-	-	-	-	-	40.13	0.09	1,297.28	2.60
Iodized Salt and Rock Salt	8,420.90	69.91	8,607.65	70.34	10,824.73	36.04	15,459.26	47.95	28086.38	48.53	32667.92	50.22	9.66	0.02	3.50	0.01

*Above figures are only on standalone basis.

We have engaged only one third party manufacturer for processing and manufacturing pulses, iodized salty and rock salt. Any discontinuation or a failure of our third party manufacturer to adhere to the delivery schedule or failure to deliver the required quality and quantity of products could hamper our business and operations. We are significantly dependent upon our third party manufacturer for supply of pulses, iodized salty and rock salt and in the event, our third party manufacturer severs the informal arrangement and discontinues the supply of finished products, we would be forced to engage with another manufacturer which could be time taking and costly. In the event we are unable to find a substitute third party manufacturer, we might delay in delivering our products, which could have a severe impact on our relations with our customers. Further, there can be no assurance that strong demand, capacity limitations or other problems experienced by our third party manufacturer will not result in occasional shortages or delays in its supply of products to us. Since we are dependent upon a single manufacturer, we cannot rely on any other third party manufacturer for completing our orders. We cannot assure you that our third party manufacturer will continue to be associated with us on reasonable terms, or at all. Since our third party manufacturer is not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such manufacturer, which may cause them to cater to our competitors alongside us. Thus, if we experience significant increase in demand, or need to replace our existing third party manufacturer, we cannot assure you that we will be able to meet such demand or find suitable substitutes, in a timely manner and at reasonable costs, or at all. While the aforementioned events have not materially occurred in the past, however occurrence of any such events could significantly impact our business operations and financial conditions.

We have not entered into long term contract with our third party manufacturer and prices for the products purchased are normally based on the quotes we receive from our third party manufacturer. We rely on pre-booking capacity with our third party manufacturer, based on our demand projections. Since we have no formal arrangements with our third party manufacturer, it shall not be contractually obligated to supply its products to us and may choose to sell its products to our competitors. Further, the quantity of products procured and the price, at which we procure them, may fluctuate from time to time. In addition, the availability and price of products required by us may be subject to a number of factors beyond our control, including economic factors, seasonal factors, environmental factors and changes in government policies and regulations, including those relating to the agriculture industry in general. We cannot assure you that we will always be able to meet our product requirements at prices acceptable to us, or at all, or that we will be able to pass on any increase in the cost of products sold to our customers. Further, we also cannot assure you with a reasonable certainty that the products that we would procure in the future will not be defective. In the absence of formal agreements, should we receive any defective products, we may not be in a position to recover advance payments or claim compensation from our manufacturer consequently increasing the procurement costs or reducing the realisation of our products. Any inability on our part to procure sufficient quantities of products, on commercially acceptable terms, may lead to a decline in our

sales volumes and profit margins which could adversely affect our business, results of operations and financial condition. While the aforementioned events have not materially occurred in the past, however occurrence of any such events could significantly impact our business operations and financial conditions.

9. Our operating projects are located in ten states in India and expanding into other states poses risks.

Our operations have been geographically concentrated in the states of Andhra Pradesh, Gujarat, Karnataka, Kerala, Tamil Nadu, West Bengal, Assam, Maharashtra, Telangana and Goa. A break-up of the state-wise revenues earned has been provided below:

(₹ in lakhs)

S. No	Name of the State/Region	Three-month period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
		Amount of revenue earned	(% of total revenue)	Amount of revenue earned	(% of total revenue)	Amount of revenue earned	(% of total revenue)	Amount of revenue earned	(% of total revenue)
1.	Andhra Pradesh	1,050.66	13.08	3,848.63	11.94	8,825.40	13.57	10,382.36	20.82
2.	Gujarat	421.06	5.24	1,657.43	5.14	3,882.60	5.97	1,425.93	2.86
3.	Karnataka	1,207.53	15.03	4,994.50	15.49	9,442.57	14.52	7,799.93	15.64
4.	Kerala	439.07	5.47	2,138.95	6.63	4,013.45	6.17	3,296.07	6.61
5.	Tamil Nadu	1,252.88	15.60	4,726.05	14.66	10,488.63	16.13	6,494.48	13.03
6.	West Bengal	513.66	6.39	2,099.49	6.51	4,713.60	7.25	4,602.40	9.23
7.	Assam	303.46	3.78	1,445.67	4.48	4,228.07	6.50	3,113.98	6.25
8.	Maharashtra	1,154.30	14.37	4,673.47	14.50	7,884.45	12.12	4,930.47	9.89
9.	Telangana	1,207.13	15.03	4,674.15	14.50	9,056.07	13.92	6,483.33	13.00
10	Goa	483.79	6.02	1,828.49	5.67	2,503.69	3.85	1,312.18	2.63

Any significant disruption, including social, political or economic factors or natural calamities or civil disruptions, impacting these region may adversely affect operations. We may expand geographically to other states with characteristics similar to the states in which we currently operate. We may not gain acceptance or be able to take advantage of expansion opportunities outside our current markets. This may place us at a competitive disadvantage and limit our growth opportunities. We face additional risks if we undertake operations in other geographic areas in which we do not possess the same level of familiarity. We may be affected by various factors, including but not limited to:

- adjusting our development and operational methods to different geographic areas and to comply with different legal and regulatory requirements;
- obtaining the necessary government and other approvals in time or at all;
- finding reputable third party manufacturers, suppliers and customers;
- attracting customers in a market in which we do not have significant experience; and
- hiring sufficiently experienced employees and absorbing increased management costs.

Further, our competition may have a significant foothold over such geographies. If we undertake any expansion, we may not be able to successfully manage some or all of these risks, which may have a material adverse effect on our revenues, profits and financial condition.

10. A complaint has been filed by Rameshbhai Laxmanbhai Patel against our Company before the Securities and Exchange Board of India (“SEBI”) which is currently pending. In the event any adverse proceedings are initiated against our Company, it would adversely affect our business, results of operations and financial condition.

A complaint dated August 15, 2022 was filed by Rameshbhai Laxmanbhai Patel against our Company before SEBI alleging that *inter alia*, (i) the shareholders of our Company are fictitious in nature and do not hold a valid permanent account number; (ii) our Company has availed a fraudulent cash credit loan from the State Bank of

India; (iii) during a search conducted by the regulatory authorities under the Central Goods and Services Tax Act, 2017, our Promoter, Chairman and Managing Director, Hiteshkumar Gaurishankar Patel, was arrested on July 19, 2022 and our Company failed to inform the Stock Exchanges about the same; (iv) the manufacturing unit of our Company is closed since inception and that our Company is creating fictitious turnover through circular trading; (v) the actual electricity consumption during the Financial Year 2017-18, 2018-19 and 2019-20 is very low as compared to the disclosures made in the annual reports; and (v) certain public shareholders are relatives of our Directors and therefore the same is not in compliance with the applicable regulations. In furtherance to the above, our Company has received certain queries from BSE vide its emails dated October 21, 2022, November 9, 2022, November 11, 2022, February 1, 2023 and February 2, 2023. Our Company has replied to the Complaint and the emails received from BSE Limited vide our letters dated November 9, 2022, November 10, 2022, November 15, 2022, November 16, 2022, January 16, 2023, February 1, 2023 and February 17, 2023, refuting the allegations levied by the Complainant and furnishing the documents and clarifications sought by BSE. While, our Company has not received any further correspondence from SEBI or BSE in this regard, however the matter is currently pending. We cannot assure you that an inquiry or investigation will not be initiated by SEBI or BSE against us or that any legal proceedings will not be instituted by the Complainant or any other regulatory authorities against us. While any other aforementioned events have not occurred, however we cannot assure you that occurrence of any such events would not adversely affect our business operations, financial conditions, reputation and image. For further details, please see “*Outstanding Litigation and Material Developments*” on page 135.

11. Our Statutory Auditor has included certain remarks in the limited review reports submitted under Regulation 33 of the SEBI Listing Regulations for the six-month period ended September 30, 2022 and the nine-month period ended December 31, 2022.

Our Statutory Auditor has included certain remarks in the limited review reports submitted for the six month period ended September 30, 2022 and the nine-month period ended December 31, 2022.

Details of comments included in the limited review reports submitted for the six month period ended September 30, 2022.

“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 except proceedings as under CGST I GST for disputed tax amount Rs. 72.35cr.”

Details of comments included in the limited review reports submitted for the nine-month period ended December 31, 2022

“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 except (i) Bonus equity share issue aggregating Rs. 50cr @ ratio 1:1. (ii) Final dividend Rs. 5 lakhs for FY 2021-22 not paid due to non-opening dividend account with SBI as per RBI guideline. (iii) Profit is subject to CSR provision.”

There can be no assurance that any similar remarks will not form part of our audit or limited review reports for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected. For further details, please refer to “*Financial Statements*” on page 116.

12. Our secretarial auditor, Kamlesh M. Shah, Practicing Company Secretaries, Ahmedabad has included certain qualifications, reservations and adverse remarks in the secretarial audit report for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with the Companies Act and SEBI Listing Regulations.

Our secretarial auditor, Kamlesh M. Shah, Practicing Company Secretaries, Ahmedabad has included certain

qualifications, reservations and adverse remarks in the secretarial audit report for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, details of which have been provided below:

Details of qualifications, reservations and adverse remarks for the Financial Year ended March 31, 2024:

<i>The listed entity has complied with the provisions of the above regulations and circulars/ guidelines issued thereunder, except in respect of the matters specified below: S. No</i>	<i>Compliance requirement</i>	<i>Deviations</i>	<i>Action taken by</i>	<i>Type of action Advisory/ Clarification/ Fine / Show Cause Notice/ Warning</i>	<i>Details of violation</i>	<i>Fine Amount</i>	<i>Observations/ Remarks of the PCS</i>	<i>Management Response</i>	<i>Remarks</i>
1.	Notice for Non-Compliance with Regulation 21 (2) of SEBI (LODR) Regulations, 2015	Regulation 21 (2) Non-Compliance with constitution of risk management committee	Penalty imposed	Fine	Non-Compliance with constitution of risk management committee	1,82,000	Company has paid the penalty which is imposed by Stock Exchange and taken on Note for future Compliances	-	-
2.	Notice for Noncompliance with Regulation 23(9) of SEBI (LODR) Regulations, 15	Regulation 23(9) Delay Submission	Penalty imposed	Fine	Noncompliance with Related Party Disclosure	35,400	Company has paid the penalty which is imposed by Stock Exchange and taken on Note for future Compliances	-	-
3.	Notice for Noncompliance with Regulation 13(3) of SEBI (LODR) Regulations, 2015	Regulations 13(3) Delay Submission	Penalty imposed	Fine	Delay in Submission of Investor Grievance Statement for September 30, 2022	9440	Company has paid the penalty which is imposed by Bombay Stock Exchange and taken on Note for future Compliances	-	-

4.	Notice for non-compliance with Regulation 24A of SEBI (LODR) Regulations, 2015 on MSEI	Regulation 24A Laye Submissionn of Secretarial Audit Report on MSEI	Penalty imposed	Fine	Delay in Submissionn of secretarial audit report	4,720	Company has paid the penalty which is imposed by Stock Exchange and taken on Note for future Compliances		
6.	Notice for Non-Compliance with Regulation 17(2) of SEBI (LODR) Regulations, 2015	Regulation 17(2) Non-compliance with the requirements pertaining to the number of Board meetings	Penalty imposed	Fine	Non-compliance with the requirements pertaining to the number of Board meetings	11,800	Company has paid the penalty which is imposed by Stock Exchange and taken on Note for future Compliance s	-	-
7.	Notice for Non-Compliance with Regulation 33 of SEBI (LODR) Regulations	Regulation 33 submission of the financial results	Penalty imposed	Fine	Non-submission of the financial results (Consolidate d Cash Flow Statement) within the period prescribed under this regulation	1,71,100	Company has paid the penalty which is imposed by Stock Exchange and taken on Note for future Compliance s	-	-

Details of qualifications, reservations and adverse remarks for the Financial Year ended March 31, 2023:

S. No.	Details of qualifications/ reservations/ adverse remarks	Justification of our Company included in the Director's report
1.	"There was a Fire Broke out at the Registeredoffice of the Company on 06th May, 2022According to the company all the computer systems and digital Data as well as physical Records are burnt /Destroyed. Now, the Company has prepared the Minutes for the Various Meetings held based on resolutions passed at such meetings, and submitted toVarious Authorities. In View of this we could not make the physical inspection and verification such detailed Registers and other Records."	"The Company has intimated to both the stock exchanges on 7th May, 2022 about major fire break outat the Registered Office of the Company situated at Ahmedabad. The Company has also filed Police Complaint for the same. All the Physical Statutory Records as well as Computer systems and digital data were burnt. The employees of the Company are currentlyworking remotely. It was not possible to hold physical inspection of all the records. The Company has prepared all the Statutory records for FY 2021-2022 as per the provisions of all the required acts and also sent throughemail for inspection."
2.	"Further, the Company has provided to us information on Compliances made for Filings of Various Resolutions and E-FORMS with Registrar of Companies as well as the Various Documents information submitted to the StockExchanges and Uploaded on the Company's Website stock Exchange website and ROC Website Our This Report is based on Verification of Such information only."	"The employees of the Company are currently working remotely. It was not possible to hold physical inspectionof all the records. The Company has prepared all the Statutory records for FY 2021- 2022 as per the provisions of all the required acts. The Company has sent all the Resolutions, Minutes, E-Forms, Attendance Registers, Proof of sending notice and other fillings made with ROC, all the corporate announcements, compliances made with SEBI/stock exchanges and uploaded on the website for the verification/inspection."
3.	"The Company has not made provision forpayment of Gratuity and also had not done assessment of Gratuity Liability during the year under review. No compliance has been made with AS-15 in this regard."	"The company has no employees in continuous servicesfor five years therefore has not made any provision for payment of Gratuity and also had not done assessment of Gratuity Liability as per Accounting Standard-15."
4.	"The Company is yet to Resolve 32 Investors Complaints."	The Company did not include any justification for this qualification.

Details of qualifications, reservations and adverse remarks for the Financial Year ended March 31, 2022:

S. No.	Details of qualifications/ reservations/ adverse remarks	Justification of our Company included in the Director's report
1.	<i>"The company has made non-compliance of Regulation 17(1) of LODR and paid penalty of Rs. 2,59,600/- (BSE) and 2,59,600/-(MSEI) during the year under review."</i>	<i>"The company has paid the penalty as levied by the Bourses for non-compliance of Regulation 17(1) of SEBILODR, 2015 and complied with the same."</i>
2.	<i>"The Company has paid penalty u/r 13(3) of SEBI (LODR) Regulations, 2015 for non- redressal of investors complaints of Rs. 3,31,580/- in total during the year under review."</i>	<i>"The company has paid the penalty as levied by the Bourses for non-compliance of Regulation 13(3) of SEBILODR, 2015 and resolved all the Investors complaints satisfactorily."</i>
3.	<i>"The company has paid penalty of Rs. 15,00,000/- for non-compliance of the order of WTM of SEBI dated 20-02-2021."</i>	<i>"The Company paid the penalty levied for non-compliance of the order of WTM of SEBI under section 15HB dated 20-02-2021 and complied with the same."</i>
4.	<i>"The Company has not deposited the unspent amount of CSR Expenditure into separate Account as per Section 135(6) of CA, 2013 for the FY 2018-19, 2019-2020 and 2020-2021."</i>	<i>"Due to COVID-19 Pandemic the company was not able to deposit the unspent amount of CSR Expenditure into separate Account as per Section 135(6) of CA, 2013 for the FY 2018-19, 2019-2020 and 2020-2021. The Board assures either to deposit the same at the earliest or spend the unspent amount in the upcoming financial year."</i>
5.	<i>"The Company has not made provision for payment of Gratuity and also had not done assessment of Gratuity Liability during the year under review. No compliance has been made with AS-15 in this regard."</i>	<i>"The company has no employees in continuous services for five years therefore has not made any provision for payment of Gratuity and also had not done assessment of Gratuity Liability as per Accounting Standard-15."</i>

There can be no assurance that any similar remarks, or matters of emphasis will not form part of our secretarial audit reports for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

13. We are yet to obtain consent from State Bank of India for the Issue.

Our Company has entered into agreements for fund based and non-fund-based borrowings with State Bank of India. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations which *inter-alia* include change in capital structure (including this present proposed Issue), formulation of any scheme of amalgamation or reconstruction, declaring dividends, further expansion of business, granting loans to directors, repaying secured loan loans, undertake guarantee obligations, which shall require our Company to obtain prior approval. While, our Company had applied to State Bank of India for obtaining its consent for undertaking this Issue and for the objects of this Issue, however, as of date of this Draft Letter of Offer, our Company has not received a received its consent. We have requested and followed-up with State Bank of India to provide us with its consent to undertake the Issue, however, as of date of this Draft Letter of Offer, we have not received any response from State Bank of India. Undertaking the Issue without obtaining consent from our lender may constitute a breach of covenant under the relevant financing documents, which could entitle State Bank of India to consider this Issue as an event of default under the loan agreements, thereby entitling it to take adverse actions against our Company as per their financial agreements. The occurrence of any of the events mentioned above can adversely affect our business, results of operations and financial condition.

14. We do not own certain premises used by our Company.

As on the date of this Draft Letter of Offer, our manufacturing unit situated Block/Survey No. 252, situated at Kabodari, Talod, Sabarkantha – 383 305, Gujarat, India and the Registered Office of our Company situated at B-905 Empire Business Hub, Opp Shakti Farm, Science City Road, Sola, Ahmedabad- 380060, Gujarat, India have been taken on lease by our Company from our Promoter, Chairman and Managing Director and Whole-time Director from related parties or third parties, details of which are provided below:

Sr. no.	Details of the Deed/Agreement	Particulars of the property	Consideration/ License Fee/Rent	Tenure/ Term	Usage
1.	Lease Deed dated May 10, 2018 executed between Hiteshkumar Gaurishankar Patel and Navinchandra Dahyalal Patel (the "Lessors") and our Company (the "Lessee")	Block/Survey No. 252, situated at Kabodari, Talod, Sabarkantha – 383 305, Gujarat, India	₹ 50,000 per annum	A period of ninety nine (99) years with effect from May 10, 2018	Manufacturing unit
2.	Rent Agreement dated October 10, 2022 executed between Swati B Shah and the Tenant-Hiteshkumar G Patel (M.D of our company)^	B-905 Empire Business Hub, Opp Shakti Farm, Science City Road, Sola, Ahmedabad- 380060, Gujarat, India	₹ 55,000/ Month, subject to increase @ 7% after completion of one year.	Three (3) Years	Registered Office.

^The rent agreement for the Registered Office of our Company has been executed between Swati B Shah and Hiteshkumar Gaurishankar Patel. Our Promoter and Managing Director has issued a no-objection certificate dated July 27, 2023 confirming that the premises leased by him can be used as the Registered Office by our Company.

Further, there can be no assurance that we will not face any disruption of our rights as a lessee and that such leave and license and lease agreements will not be terminated prematurely by the lessor. While the aforementioned events have occurred in the past, however we cannot assure you that any such future instances of non-renewal or early termination or any disruption of our rights as lessee will not adversely affect our business operations.

Our Company as of March 31, 2023 has incurred an expenditure aggregating to ₹ 275.11 lakhs towards renovating and constructing our manufacturing unit and our *erstwhile* registered office which was situated at C-808, Ganesh Meridian, Opp. High Court of Gujarat, S. G. Highway, Ahmedabad- 380 060, Gujarat, India. The total written down value of the leasehold improvements undertaken by our Company as of March 31, 2023 is ₹ 136.55 lakhs, out of which the written down value of the leasehold improvements undertaken on our *erstwhile* registered office amounted to ₹ 49.53 lakhs. Since, our Company was unable to renew the leave and license agreement executed with Bharat Pesticides India Private Limited for its *erstwhile* registered office, we were required to write off leasehold improvements to an extent of ₹ 49.53 lakhs from its books of accounts. Furthermore, we will not be able to seek reimbursement of the aforementioned expenses incurred towards renovation of our *erstwhile* registered office. In respect of our manufacturing unit, while, the lease deed executed by our Company with our Promoter and our Whole-time Director stipulates that the lessors, *i.e.*, our Promoter and our Whole-time Director shall not be entitled to terminate the lease during its entire tenure unless there is a breach of any of the terms and conditions by our Company including in respect of the payment of lease rent and such breach shall have continued for a period of thirty days after notice in writing is delivered to our Company, however the lease deed also stipulates that in the event of termination of the lease, our Company shall only be entitled to the furniture and fixtures in the manufacturing unit. Therefore, in the event the lease deed for our manufacturing unit is terminated, our Company shall be obligated to write off its lease improvements amounting to ₹ 87.02 lakhs, which could significantly impact our financial statements and shall not be able to recover the expenditure incurred towards renovation of our manufacturing unit. While the aforementioned events have occurred in the past, however occurrence of any such future instances could adversely affect our business operations.

- 15. We have limited knowledge and records of documents relating to corporate actions undertaken by our Company prior to January 2015, including acquisition of control of our Company by our Promoter and members of Promoter Group. Further, due to an outbreak of fire at our *erstwhile* registered office on May 6, 2022, majority of our original physical records as well as our digital records were destroyed. Therefore, we do not have complete corporate, accounting, financial, legal and other statutory records since 2015 until May 2022.**

Until January 2015, our Company was owned and managed by K.J. Khimani, Prashant Kantilal Khimani, Ketan Kantilal Khimani and K.J. Khimani – HUF and certain other shareholders. Subsequently, in January 2015, the entire equity share capital of our Company (then known as Hics Cements Limited) was acquired by Hiteshkumar

Gaurishankar Patel, our Promoter, along with certain members of our Promoter Group. We have been unable to trace the complete set of documents pertaining to corporate, accounting, financial, legal and other statutory records, including any supporting documents and/or RoC filings for the period from incorporation in February 1981 up to January 2015 (prior to the acquisition by our Promoter and members of our Promoter Group). Further, since the acquisition of our Company by our current Promoter and members of our Promoter Group was undertaken more than eight years ago, we have been unable to trace comprehensive records of the acquisition including but not limited to, copies of share transfer agreements executed between the *erstwhile* shareholders and our Promoter and members of our Promoter Group, share transfer forms and proof of reclassification of Promoters and members of Promoter Group. However subsequent to the acquisition, our Company applied for direct listing of its Equity Shares on BSE and obtained trading approval for its Equity Shares from BSE Limited *vide* a notice bearing number 20160120-11 dated January 20, 2016. Therefore, we are unable to ascertain if the said acquisition was undertaken in accordance with applicable laws and have relied on disclosures made by our Company in the minutes of meetings of Board of Directors, annual returns and annual reports. Further, we cannot assure you that this record of acquisition of shareholding by our Promoter and members of our Promoter Group will be available in the future or that we will not be subject to any penalties imposed by the relevant regulatory authorities in this respect.

Furthermore, due to a major outbreak of fire at the *erstwhile* registered office of our Company on May 6, 2022, a significant portion of the corporate, accounting, financial, legal and other statutory records, including but not limited to original and digital records of the minutes of the meetings of the Board of Directors, its committees, Shareholders, agreements executed with Directors, related parties, customers, suppliers and other supporting documents and/or RoC filings of our Company post acquisition until May 2022 were destroyed. While statutory filings including RoC filings, certain minutes of meetings of Board of Directors, its committees, Shareholders, *etc.*, were available in the digital records maintained by the RoC, however internal records such as Form MBP-1, Form DIR-8, signed minutes of meetings of Board of Directors, its committees, Shareholders, agreements, *etc.*, which were not required to be filed with the RoC, were destroyed in the fire and therefore cannot be retrieved by our Company. The above has also been certified by Himanshu S K Gupta & Associates, Company Secretaries, pursuant to their report dated May 19, 2023, based on the search performed by them. We cannot assure you that we will not be subject to any penalty imposed by the competent regulatory authorities in this respect or incur additional expenses arising from our inability to furnish correct particulars in respect of the RoC filings or other corporate records or for any misrepresentation of facts which may occur as a result of the non-availability of relevant documents. While any other aforementioned events have not occurred, however we cannot assure you that occurrence of any such events would not adversely affect our business operations, financial conditions, reputation and image.

16. *Natural disasters and calamities and other adverse conditions could affect the Company's capacity utilization and raw material procurement.*

Our Company's business and operations is vulnerable to natural disasters and calamities which could affect our ability to procure raw materials and effectively utilise the capacity of our manufacturing unit. Our Company's ability to obtain adequate quantities and quality of raw material is dependent on weather conditions, such as sufficient rainfall and healthy crops and non-occurrence of any natural disaster which may ruin the crop completely. Any natural disaster may affect our Company's capacity utilization and raw material procurement. Our Company maintains insurance for its assets which covers them against damages caused from fire and special perils. If a natural disaster was to occur which is not covered by insurance, our Company's business, results of operations and financial condition could be adversely affected. While the aforementioned events have not materially occurred in the past, however occurrence of any such events could significantly impact our business operations and financial conditions.

17. *The Basmati rice industry is cyclical in nature. Any decrease in the market price of Basmati rice between purchasing raw Basmati rice and selling Basmati rice may adversely affect our financial condition.*

The Basmati rice industry is cyclical and is dependent on the harvest of the crop, which occurs generally from September to November. However, the raw Basmati rice is purchased is processed throughout the year. Following processing, there is a long period before the Basmati rice is ready for sale. This is a unique feature of the Basmati rice processing industry, where the quality of Basmati rice being processed improves with age. Due to the higher market price of aged Basmati rice, a significant amount of time passes between when we purchase raw Basmati rice and sell finished Basmati rice. During the three-month period ended June 30, 2024, Fiscal 2024, Fiscal 2023, Fiscal 2022 and Fiscal 2021, the average combined holding period for finished goods and raw materials of our

Company was 26 days, 29 days, 29 days and 29 days respectively. During this period of aging, the price of Basmati rice may fluctuate.

Further, we rely on historic prices of Basmati rice in determining the price and quantity of raw Basmati rice for purchase and the costs of storage, production and transportation of raw Basmati rice and Basmati rice. As such, if the price of Basmati rice falls during the time it is held for ageing, we may not be able to recover our investment in the raw Basmati rice and processing operations, which could adversely affect our financial condition. Further, any change in consumption patterns of Basmati rice or any reduction in demand for Basmati rice processed by us could also adversely affect our operations and profitability. While the aforementioned events have not materially occurred in the past, however occurrence of any such events could significantly impact our business operations and financial conditions.

In addition, the wholesale price of Basmati rice has a significant impact on our profitability. Basmati rice is subject to price fluctuations due to weather, natural disasters, domestic and foreign trade policies, shifts in supply and demand and other factors beyond our control. Any prolonged decrease in Basmati rice prices could have a material adverse impact on our operations and profitability.

18. Our entire business operations are based out of a single manufacturing unit in Gujarat. The loss of, or shutdown of, our operations at this manufacturing unit or any disruption in the operation of our warehouse/godown will adversely affect our business, financial condition and results of operations.

Our manufacturing unit and all other facilities are based out of a single premise located in Gujarat. Accordingly, we rely exclusively on our facilities at this manufacturing unit to earn revenues, pay our operating expenses and service our debt obligations. Any significant interruption or loss or shutdown of operations at our manufacturing unit at Gujarat would adversely affect our business. For instance, we are required to shut down our manufacturing unit once every year in order to undertake maintenance of our plant and machinery, software updates in our technology and process, cleaning of our plant and silos. Our last routine maintenance was undertaken in the month of August 2022, wherein our manufacturing unit was shutdown for a period of five days. In case, due to any unforeseeable circumstances, we have to halt the operations in our manufacturing unit, it may cause an adverse impact on our business operations, revenue, results of operations and financial conditions. Furthermore, during the COVID-19 pandemic, while our manufacturing unit was functional, since our products fall under the category of 'essential goods', however the sales and revenue from operations recorded during the period starting from April 1, 2021 until May 1, 2021 were significantly impacted. The reduction in the volume of sales and decline of our revenue of operations during the aforementioned period was on account of scarcity of labour at our manufacturing unit and restrictions imposed on transportation of goods which resulted in a delay in supply of our products. A break-up of the total revenue earned by our Company during the FY 2022 and FY 2021 has been provided below along with the financial impact suffered:

(₹ in lakhs)

Period	FY 2021-2022	FY 2020-2021	Difference	Difference (%)
April 1 to June 30	7,237.19	2,700.49	4,536.75	168.00
July 01 to September 30	12,505.71	10,075.68	2,430.29	24.12
October 1 to December 31	14,768.65	11,817.31	2,951.34	24.97
January 1 to March 31	15,347.3	10,523.84	4,820.78	45.80

A break-up of the revenue from operations earned by our Company during the FY 2022 and FY 2021 has been provided below along with the financial impact suffered owing to the shutdown:

(₹ in lakhs)

Period	FY 2021-2022	FY 2020-2021	Difference	Difference (%)
April 1 to June 30	7,236.25	2,698.03	4,538.22	168.21
July 01 to September 30	12,505.71	10,074.53	2,431.44	24.14
October 1 to December 31	14,768.65	11,816.12	2,952.53	24.99
January 1 to March 31	15,347.3	10,518.71	4,828.59	45.90

While, our Company suffered a financial loss, however the slump in the volume of sales and decline of our revenue of operations did not significantly impact the business operations of our Company. Our manufacturing, processing and other business activities may be subject to unexpected interruptions, including natural or man-made disasters. Our facilities and operations could be adversely affected by, among other factors, breakdown or failure of equipment, difficulties or delays in obtaining spare parts and equipment, power supply or processes,

performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, raw material shortages, fire, explosion and other unexpected industrial accidents and the need to comply with the directives of relevant government authorities.

Furthermore, any significant interruption to our operations directly or indirectly as a result of any industrial accidents, severe weather or other natural disasters could materially and severely affect our business, financial condition and results of operations. Similar adverse consequences could follow if war, or war-like situation were to prevail, terrorist attacks were to affect our related infrastructure, or if the Government of India were to temporarily take over the facility during a time of national emergency. In addition, any disruption in basic infrastructure, such as in the supply of electricity could substantially increase our manufacturing costs. Any disruption of our existing supply of infrastructure services such as power, our failure to obtain such additional supplies as required by us or an increase in the cost of such supplies may result in additional costs to us. In such situations, our production capacity may be materially and adversely impacted. In the event our facilities are forced to shut down for a significant period of time, our earnings, financial condition and results of operation would be materially and adversely affected.

We do not have a diversified base of manufacturing operations, and local disturbances which would have a material adverse effect on our business, and consequently on our operations and financial condition. Further, our warehouse/godown are subject to operating risks, such as performance below expected levels of efficiency, labour disputes, natural disasters, industrial accidents and statutory and regulatory restrictions. Any disruption of operations of our warehouses could result in delayed delivery of our product, which in turn may lead to disputes and legal proceedings with them on account of any losses suffered by them or any interruption of their business operations due to such delay or defect. While our strategic objectives include geographical expansion across India, in the event that we are unable to make available our products in a prompt manner and within the requisite timelines our business, financial condition and prospects may be adversely affected. While the aforementioned events have not materially occurred in the past, occurrence of any such events in the future may adversely affect our business operations and financial conditions.

19. The organic food industry in India is in nascent stage and the lack of awareness among Indian consumers and farmers regarding organic food products make them vulnerable to misconceptions around organic farming and may have an adverse effect on the organic food industry and consequently our business, results of operations and financial condition.

We have recently ventured into marketing and selling of rock salt, which is the first organic product of our Company. Organic farming and food processing is in nascent stage in India. The lack of awareness among Indian consumer and farmers make them susceptible to negative publicity and misconceptions around organic farming. The Indian consumer is generally sensitive to pricing. The Indian consumers perceive organic food as an expensive commodity and are wary of spending more on organic food. Significant difference between the pricing of organic and the conventional product may create disfavor towards organic food. Additionally, lack of knowledge and awareness creates consumers that glamorize the consumption of organic products, and thus creates only a temporary demand in the organic food products and adversely affects the sustainable growth of the whole industry. While we attempt to educate and create awareness among the consumers, there can be no assurance that we will be able to change the mindset and food preferences in a short span of time. Any such misconceptions and lack of awareness and knowledge among the consumers may prevent sustainable growth of the organic food industry and have an adverse impact on our business operations.

20. Soil erosion or excessive usage of soil may reduce the raw material availability, resulting in increase in raw material cost.

The key raw materials used by us in our manufacturing unit for processing and manufacturing Basmati rice and wheat are raw Basmati rice and raw wheat. Our business operations are highly dependent on the easy availability of such products in the market. Soil erosion and excessive usage of soil could make it devoid of its nutrients and therefore make the rice and the wheat crop susceptible to diseases, pest/insect infestation and thereby reduce the amount of the crop that can be harvested in a particular season. Such continuous depletion and erosion of soil may result in reduction of raw material availability and consequently increase our raw material costs for our products. With the increase in raw material costs we will be forced to increase the cost of our products which will affect our cost competitiveness. As of date, we have not been able to find an alternative for raw Basmati rice and raw wheat for manufacturing our products and our continuous business operations are highly dependent on the

availability of these key raw material. In the event, due to soil erosion, we are unable to source the raw material and are unable to find a substitute for our key raw materials we may be forced to halt or permanently stop our business operations. Further, if the government introduces policies or laws regularizing the use of the rice and wheat crop, our operations would be highly affected by such policies and we cannot assure you that the end use customers will not be affected by the same. While the aforementioned events have not occurred in the past, happening of such events, the continuity of our business operations, revenue, result of operations and financial condition may adversely beaffected.

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

Our manufacturing unit is located in the Sabarkantha district of Gujarat. As a result, any local social unrest, natural disaster or breakdown of services and utilities in Gujarat could have material adverse effect on the business, financial position and results of our operations. Our current and proposed manufacturing units are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. In the event, we are forced to shut down our manufacturing unit for a prolonged period; it would adversely affect our earnings, our other results of operations and financial condition as a whole. Spiralling cost of living around our unit may push our manpower costs in the upward direction, which may reduce our margin and cost competitiveness. In case, due to any unforeseeable circumstances, we have to halt the operations in our manufacturing unit, it may cause an adverse impact on our business operations, revenue, results of operations and financial conditions.

22. *Certain persons claiming to be the shareholders of our Company have filed applications before the National Company Law Tribunal, Ahmedabad requesting restoration of benefits of such persons incidental to their alleged shareholding in our Company.*

Ramkishore Boob, Shardadevi Boob, Bharati Praful Bharmakshatriya and Shailesh Duggappa Sanil have filed applications before the National Company Law Tribunal, Ahmedabad stating and alleging that they hold equity shares of ₹ 10 each in Hics Cement Limited (now named as Mishtann Foods Limited). Since the face value of the Equity Shares of our Company was split from ₹ 10 each to ₹ 1 each, the aforementioned applicants have requested the Hon'ble Tribunal to direct our Company issue new share certificates under the name of 'Mishtann Foods Limited', post giving effect to the split. Further, Ramkishor Ram has filed a first information report against our Promoter, Chairman and Managing Director alleging that our Directors along with the Registrar and Share Transfer Agent forged his signature and transferred 2,300 Equity Shares in the name of an accomplice.

Our Promoter and members of our Promoter Group had taken over our Company from the *erstwhile* promoters, namely K.J. Khimani, Prashant Kantilal Khimani, Ketan Kantilal Khimani and K.J. Khimani - HUF and *erstwhile* shareholders, therefore we do not have the complete record of the Equity Shares issued by the Company prior to the aforementioned acquisition. Accordingly, our Company cannot corroborate the shareholding of the aforementioned persons in our Company and therefore cannot establish them as shareholders of our Company at any time, as the folio number on the share certificates provided by the aforementioned persons do not match with the folio number as per the records of our Company. Further, our Promoter has filed a first information report under Sections 120, 406, 420, 467, 468 and 471 of the Indian Penal Code, 1860 against Kantilal Khimani, Prashant Kantilal Khimani, Ramkishor Ramvallabh Boob, Shardadevi Ramkishor Boob, Prafulbhai Balubhai Brahmakshatriya and others alleging that the aforementioned persons have made applications to our Company for transfer/ transmission of physical shares or dematerialization of their physical shares and that the physical shares which are held by them are fake and fraudulent in nature as the record of the same cannot be traced in the records maintained by our Company and by the Registrar of Companies, Gujarat at Ahmedabad. Further our Promoter also alleged that the aforementioned persons withheld the fact that fake share certificates were issued and circulated and without disclosing the said information, transferred the management of the *erstwhile* Hics Cement Limited (now named as Mishtann Foods Limited) to our Promoter. All the matters mentioned above are pending.

In the event an unfavourable order is passed in any of the aforementioned matters, we may have to register the persons claiming to be our shareholders in our records. We may also be asked to pay a fine or penalty which could strain our financial resources. Upon the occurrence of any of the aforementioned events, our Company may seek further legal recourse, which could be time consuming and costly and the outcome cannot be guaranteed. While any other aforementioned events have not occurred, however we cannot assure you that occurrence of any such events would not adversely affect our business operations, financial conditions, reputation and image.

For further details, please see “*Outstanding Litigation and Material Developments*” on page 135.

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

We are involved in certain material legal proceedings which may adversely affect our operations and financial position. A summary of material outstanding legal proceedings involving our Company as on the date of this Draft Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is set out below:

(₹ in lakhs)

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Material Civil Litigation	Aggregate amount involved (₹ in lakhs)
Company						
By our Company	3	1	-	-	1	11,202.86
Against our Company	1	1	2	13	5	10,495.43
Directors[^]						
By our Directors	4	Nil	-	-	1	Not quantifiable
Against our Directors	3	Nil	Nil	Nil	Nil	Not Quantifiable
Promoter						
By our Promoter	4	Nil	-	-	1	Not Quantifiable
Against our Promoter	3	Nil	Nil	Nil	Nil	Not Quantifiable
Subsidiary						
By our Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
Against our Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil

[#]To the extent quantifiable.

[^]These matters pertain to our Promoter, Chairman and Managing Director, Hiteshkumar Gaurishankar Patel.

We are, and may in the future be, party to other litigation and regulatory proceedings, the outcome of which may affect our business, results of operations, financial condition and prospects. There can be no assurance that we will be successful in any of these legal proceedings. For further details, see “*Outstanding Litigation and Defaults*” on page 135.

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

Our products may contain certain quality issues or undetected errors, due to defects in manufacture of products or raw materials which are used in the products. We have implemented quality control processes for our raw materials and finished goods on the basis of our internal quality standards. However, we cannot assure you that our quality control processes will not fail or the quality tests and inspections conducted by us will be accurate at all times. Any shortcoming in the raw materials procured by us or in the production of our products due to failure of our quality control procedures, negligence, human error or otherwise, may damage our products and result in deficient products. Further, in accordance with the formal agreements executed by our Company with our suppliers, our Company is mandated to check the quality of raw material on a sample basis and verify the same with the goods which are dispatched to us, prior to their unloading. Once the raw materials are unloaded, the formal agreements executed with our suppliers restrain us from raising any quality issues, unless the same are reported by the market intermediaries. Therefore, in the event after purchase of raw materials, if the quality of our raw materials are sub-standard, we may not be able to return the same to our suppliers or obtain a refund for the

amount spent towards purchase of raw materials. We may have to order a fresh batch of raw materials for our manufacturing process, which may be costly and time consuming. Further, in the event we are unable to detect defects in the quality of our raw materials, which in turn lead to defects in the finished products manufactured by us, we may face product liability claims which could impact our image and reputation. In view of the formal agreements with our suppliers, we may not be able to initiate claims relating the quality of the raw materials or receive refund for the amount spent by us towards purchase of raw materials. While the aforementioned events have not materially occurred in the past, occurrence of any such events in the future may adversely affect our business operations and financial conditions.

As per the formal agreements which have been entered into by us with our customers, our customers have the right to inspect the final products at the manufacturing unit of our Company / any other premises as mutually decided between parties. Once the goods are dispatched to our customers, our formal agreements restrain them from raising any complaints in respect of the quality of the goods. It is conducive for us to set the bar for the quality of our products higher than our competitors and to ensure that the products manufactured by us would meet the quality standards which are set for our products. While, our customers may not be able to reject our products on account of any deviation from the quality standards set for our products, however substandard quality of our products could damage our reputation.

Furthermore, we are also dependent upon the quality of our products namely, finished pulses, iodized salt and rock salt on our third party manufacturer. We have no formal agreements executed with the third party manufacturer governing the commercial terms of manufacturing of our products, therefore, in the event the quality of our products or our products suffer from defects and are returned to us due to quality complaints received from the end users, we would be bound to take back the dead stock lying with the customers at our own expense and would have to reimburse the expenses or financial losses incurred by the customers on such stocks. We may not be able to seek a reimbursement of the losses incurred from the third party manufacturer, which could have a significant impact on our financial condition of our Company. While there have not been any instances in the past wherein the goods manufactured by our third party manufacturer were returned to our Company on account of defects, quality concerns and for other miscellaneous reasons, however any such instances in the future could harm our reputation. The occurrence of any future quality lapses could strain our relationship with our customers and our reputation may suffer, which in turn may adversely affect our business, results of operations and financial condition. Our customers may lose faith in the quality of our products and could in turn refuse to further deal in our products, which could have a severe impact on our revenue and business operations. We also face the risk of legal proceedings and product liability claims being brought against us by the customers for defective products sold. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. We also cannot assure you that in view of lack of formal agreements, any product liability claims initiated by us against our third party manufacturer would be successful. We may have to initiate legal proceedings against our third party manufacturer, which could be costly and time consuming and the outcome of such proceedings cannot be guaranteed. While, we have not faced product liability claims, in the past, however we cannot assure you that any future product liability claims would not adversely affect our reputation, as well as force us to incur significant costs.

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

We are exposed to payment delays and/or defaults by our customers. Our financial position and financial performance are dependent on the creditworthiness of our customers. As per our business network model, we supply our products directly to our customers without taking any advance payment or security deposit against the orders placed by them. Such delays in payments may require our Company to make a working capital investment. We cannot assure you that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. If a customer defaults in making its payments on an order on which our Company has devoted significant resources, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company's results of operations and financial condition. During the three-month period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022, our trade receivables were ₹71,393.07 lakhs, ₹59,118.02 lakhs, ₹22,052.39 lakhs and ₹9,920.45 lakhs, respectively, out of which, debts amounting to ₹Nil, ₹Nil, ₹Nil and ₹Nil were outstanding for a period exceeding six months. For the three-month period ended June 30, 2024 and the Fiscal ending March 31, 2024, March 31, 2023 and March 31, 2022, the trade receivables as a percentage of our revenue from operations were 186.57%, 45.89%, 33.91% and 19.90%, respectively.

**Annualised*

In the event, we do not receive payments from our customers in a timely manner or do not receive the payment due to us at all we may have to take legal action against them which would divert the attention of our management from the core matters of our Company. Further, such litigations can be time consuming and costly and we cannot assure you that the result of such litigations would always be in our favor. There have been instances in the past wherein we had initiated legal action against our customers. For instance, we have filed a criminal case before the Hon'ble court of Additional Chief Metropolitan Magistrate at Ahmedabad against one of our customers, M/s. Vishaka Trading and its official signatory K Jhansi Lakshmi under Section 138 of the Negotiable Instrument Act, 1881 for dishonour of cheque issued by our customer to our Company for payment of consideration for goods supplied aggregating to ₹ 20.53 lakhs. For further details, please see "*Outstanding Litigation and Material Developments*" on page 135.

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

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

We have experienced considerable growth and we have expanded our operations and product portfolio. Our Company in the year 2022 launched a new product under the name "*Mishtann Rock Salt*", which is one of our organic products. In addition to above, our Company has entered into a memorandum of understanding dated December 27, 2021 with the Government of Gujarat, as part of Investment Promotion Activity for Vibrant Gujarat Summit 2022, to manufacture Grain Based Ethanol at Sabarkantha. The proposed investment in this project shall be of ₹ 2,25,000 lakhs and the project shall commence from 2024. Furthermore, our Company has recently incorporated its wholly owned subsidiary, "*Grow and Grub Nutrients FZ – LLC*" in United Arab Emirates and proposes to import Thai rice and jasmine rice from Thailand and through its Subsidiary and thereby diversify its product portfolio to include Thai rice and jasmine rice.

We cannot assure you that our growth strategies will continue to be successful or that we will be able to continue to expand further, or at the same rate. We cannot assure you that we would be able to successfully implement our growth plans and strategies for our new manufacturing unit or that we will not face delays in our plans. Further, we also cannot assure you that our recently introduced products such as, "*Mishtann Rock Salt*" and the products which are proposed to be introduced, namely Grain Based Ethanol, would bring the desired result or would be accepted by our customers as our existing products. In the event, our new line of product is unable to bode well with the customers or if we are unable to justify the quality of our new products, it may have an adverse effect on our competitiveness, business operations and revenue.

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

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

Our business requires a significant amount of working capital, which is based on certain assumptions, and accordingly, any change of such assumptions would result in changes to our working capital requirements. As per our settled business terms, we require our customers to pay the full amount of the consideration only after they receive the product, as a result, significant amounts of our working capital are often required to finance the purchase of raw material and execution of manufacturing processes before payment is received from our

customers. To meet the increasing demand we require smooth functioning of our manufacturing unit and adequate stocks of raw materials to be maintained which require a regular flow of working capital.

Further, one of the objects of this Issue includes funding of working capital requirements of our Company, which is based on management estimates and certain assumptions. For more information in relation to such management estimates and assumptions, please see “*Objects of the Issue*” on page 70. Our working capital requirements may be subject to change due to factors beyond our control including *force majeure* conditions, an increase in defaults by our customers, non-availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

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

Summary of our working capital position as on March 31, 2022, March 31, 2023 March 31, 2024 is given below:
(₹ in lakhs)

Particulars	Fiscal 2022 (Restated)	Fiscal 2023 (Restated)	Fiscal 2024 (Restated)
(A) Current Assets			
(a) Inventories	4,029.91	2,814.48	2,461.13
(b) Financial Assets			
(i) Trade Receivables	9,920.45	22,052.39	59,118.02
(ii) Cash and cash equivalents	24.12	4.60	49.82
(c) Other Current Assets	1,441.01	72.65	2,179.13
Total Current Assets (A)	15,415.49	24,944.12	63,808.10
(B) Current Liabilities			
(a) Financial liabilities			
(i) Trade payables	230.91	348.46	252.06
(ii) Other financial liabilities	20.04	20.06	10.17
(b) Other current liabilities	79.16	139.58	165.78
(c) Current tax liabilities (net)	2,400.67	5,392.58	6,264.32
Total Current Liabilities (B)	2,732.92	5,965.27	9,885.76
Working Capital (A-B)	12,682.57	19,043.44	53,922.34
Funding Pattern			
<i>I) Borrowings for meeting working capital requirements</i>	3,485.64	5,449.85	4,083.86
<i>II) Networth / Internal Accruals</i>	9,199.07	13,593.59	53,032.11

Our working capital requirements and growth strategy thus require continued access to significant amount of funds on acceptable terms. We cannot assure you that market conditions and other factors will permit future project and acquisition financings, debt or equity, on terms acceptable to us or at all. Our ability to arrange financing and the costs of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from financial institutions, the amount and terms of our existing indebtedness, investor confidence, the continued success of current projects and laws that are conducive to our raising capital in this manner. Our attempts to consummate future financings may not be successful or be on terms favourable to us or at all. In addition, our ability to raise funds, either through equity or debt, is limited by certain

restrictions imposed under Indian law. Further, if the demand for, or supply of our products at attractive rates or terms were to diminish or cease to exist, our business, prospects, financial condition and results of operation could be adversely affected.

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

We are dependent on information technology system in connection with carrying out our business activities and such systems form an integral part of our business. Any failure of our information technology systems could result in business interruptions, including the loss of our customers, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations. Further, our manufacturing unit operates primarily using the machineries supplied by Bühler Holding AG which is a leader in its line of activity. The plant has sorters, graders, polishers, microcameras, silos etc which support the entire processing cycle. The value chain is capital intensive and follows highest standards of hygiene and automation. In the event, the technology systems installed in our manufacturing unit do not provide the desired results or faces certain shortcomings, we may face losses to the extent of the investments in technology made in our manufacturing unit. On the occurrence of such events, our Company may face cash crunch to repay the amount lent. While the aforementioned incidents have not materially occurred in the past, occurrence of such events in the future may require us to shut down our manufacturing unit, could adversely affect our business and results of operations.


Our information technology systems, specifically our software may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our business activities. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our business activities, which could adversely affect our operations. Breaches of our information technology systems may result in unauthorized access to confidential information. Such breaches of our information technology systems may require us to incur further expenditure to put in place advanced security systems to prevent any unauthorized access to our networks. While, the aforementioned events have not been materially occurred, future occurrence of any such events, could impact our business operations and results of operations.

Our future success depends in part of our ability to respond to technological advancements and emerging standards and practices on a cost-effective and a timely basis. For instance, our Company has implemented Tally.ERP9 software for accounting purpose, any failure of the software or the inability of our employees to successfully implement the software could increase our costs. Additionally, the government authorities may require adherence with certain technologies and we cannot assure you that we would be able to implement such technologies in a timely manner or at all. The cost of upgrading or implementing new technologies or upgrading our existing equipment or expanding our capacity could be significant, less cost effective and therefore could negatively impact our profitability, results of operations, financial condition as well as our future prospects.

- 29. *Our Company is required to obtain certain licenses, approvals and registrations, which are required for our Company's operations and business. Not receiving these licenses, approvals and registrations in a timely manner or at all may lead to interruption of our Company's operations.***

We require certain statutory and regulatory approvals, licenses, registrations and permissions to operate our manufacturing unit, some of which are granted for a fixed period of time and need to be renewed from time to time. Further, our Company is in the process of acquiring a land to set up our proposed manufacturing unit for grain based ethanol. Once our Company acquires the land for the proposed unit, we would be required to obtain certain licenses and approvals from state and local authorities for setting up the said unit, for which we will make applications during the course of time. We cannot assure you that the relevant authorities will approve and provide us with such licenses, approvals and registrations for our new manufacturing unit or will renew such licenses, approvals and registrations, or if renewed would do so in a timely manner. There have been instances in the past, where the statutory authorities have taken legal actions against us for non-renewal or not availing certain licenses and approvals. For instance, the Central Goods and Services Tax, Commissionerate, Gandhinagar had initiated investigation against our Company and our Promoter Hiteshkumar Gaurishankar Patel for allegedly supplying 'Basmati rice' of various quality/grades without payment of applicable GST. Our Company had availed an

exemption for applicability of GST, however the Central Goods and Services Tax, Commissionerate, Gandhinagar has filed a criminal complaint against our Company and our Promoter Hiteshkumar Gaurishankar Patel before the Additional Chief Metropolitan Magistrate, Ahmedabad on the grounds of alleged tax evasion. For further details please see “*Outstanding Litigation and Material Developments*” on page 135 of this Draft Letter of Offer. We cannot assure you that in the near future there will not be any further legal actions taken against us by any other regulatory authorities. Further, these licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant licenses, approvals and registrations. Failure by our Company to renew, maintain or obtain the required licenses or approvals, or cancellation, suspension, or revocation of any of the licenses, approvals and registrations may result in the interruption of our Company’s operations and may adversely affect our business.

30. ***Our Company name, logo  and our brand names are not registered. If we fail to obtain trademark registration for our brands and logo our brand building efforts may be hampered. Also, our Company is unable to protect its intellectual property, or if our Company infringes on the intellectual property rights of others, our business may be adversely affected.***

Our Company is currently using the logo which is not yet registered in the name of our Company neither we have made any application for the registration of the trademark with the respective authorities. While, our Company has obtained a registration under the Copyright Act, 1957, as amended for our logo, however the said registration shall not bestow upon us the rights and protection accorded under the Trademark Act, 1999, as amended. Our Company has created a presence with our un-registered brands “*Mishtann*”, “*Pristino*”, “*Snowflake*”, “*Mahabat*”, “*Shahryar*”, “*Jacynth*”, “*Jasper*”, “*Mishtann Rock Salt*” and others. We have not registered any of our brands under the Trademark Act, 1999 and therefore, if we are unable to get the same registered with the trademark authorities then, our Company may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks in future could have a material adverse effect on our business and goodwill, which in turn could adversely affect our results of operations. While the aforementioned events have not occurred in the past, however occurrence of any such events could adversely affect our business operations.

There can be no assurance that third parties will not infringe upon our intellectual property, causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its intellectual property, which could adversely affect our business, results of operations and financial condition. While the aforementioned events have not occurred in the past, however occurrence of any such events could adversely affect our business operations.

Further, since we do not have any formal arrangements with third party manufacturer who manufacture our products, viz., pulses, iodized salt and rock salt, we cannot restrict the said manufacturer to market and sell the products under our un-registered brand name. We may have to litigate our third party manufacturer and seek recourse under the civil jurisdiction by instituting a passing off action against such manufacturer. We cannot assure you that we will be successful in such a challenge nor can we guarantee that we will be able to register our name, logo or our brands under the Trademark Act, 1999, which in turn could result in significant monetary and loss of reputation. As a result, we may not be able to prevent infringement of our un-registered brands and a passing off action may not provide sufficient protection until such time that this registration is granted. While the aforementioned events have not occurred in the past, however occurrence of any such events could adversely affect our business operations.

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

Our products and raw materials are subject to various contamination related risks which typically affect the food processing industry, including risks posed by adulteration, product labelling error and product tampering during their production, transportation or storage. The risk of contamination or deterioration of our products exists at

each stage of the life-cycle of our products such as sourcing of raw Basmati rice, production and delivery of the final products which poses a significant risk to the quality of the products. Packaging, storage and delivery of our products to our consumers and the storage and shelving of our products by our customers until final consumption by consumers are also subject to such contamination and deterioration risks. We have not obtained any insurance to cover the risks relating to loss or damage of our products in transit, therefore any loss suffered by us will have to be completely borne by us which could adversely affect our results of operations and financial position.

Although our products are tested extensively at our manufacturing unit and subject to quality checks and controls by our employees supervising and monitoring the production at the third party facilities, we cannot assure you that the quality tests conducted by us will be accurate at all times. Any shortcoming in the production or storage of our products due to negligence, human error or otherwise, may contaminate or damage our products and result in non-compliance with applicable regulatory standards and may also subject us to legal action. While the aforementioned events have not occurred in the past, however occurrence of any such events could adversely affect our business operations.

Any actual or alleged contamination of our products or the raw materials processed by us, which causes or is alleged to cause injury or illness, allegations that our products were mislabelled, were not produced in accordance with applicable regulations and industry standards, even where food safety or other product safety is not a concern could damage our reputation, adversely affect our sales and may cause product liability or other legal proceedings being initiated against us, irrespective of whether such allegations have any factual basis. While the aforementioned events have not occurred in the past, however occurrence of any such events could adversely affect our business operations.

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

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. Any error in such identification could result in either surplus stock, which we may not be able to sell in a timely manner, or no stock at all, or under stocking, which will affect our ability to meet customer demand. We plan our inventory and estimate our sales based on the forecast, demand and requirements for our products based on past data. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively by readily making our products available to our customers. The inventory turnover of our Company in terms for the three-month period ended June 30, 2024 and the Fiscal ending March 31, 2024, March 31, 2023 and March 31, 2022, has been provided below:

Particulars	Three-month period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	(in %)	(in days)	(in %)	(in days)	(in %)	(in days)	(in %)	(in days)
Inventory turnover	10.25	36	6.13	28	16.47	35	8.02	29

Ensuring continuous availability of our products requires prompt turnaround time and a high level of coordination across raw material procurement, manufacturer, suppliers, warehouse management and departmental coordination. While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. If we fail to accurately forecast customer demand or if the instances of over stocking our inventory occur in the future as well, we may experience excess inventory levels or a shortage of products available for sale. If we over-stock inventory, our capital requirements may increase and we may incur additional financing costs. Any unsold inventory would have to be sold at a discount, leading to losses. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial condition. If we under-stock inventory, our ability to meet customer demand may be adversely affected.

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

Our manufacturing unit has significant electricity requirements and any interruption in power supply may temporarily disrupt our operations. Our manufacturing unit receives power supply from Uttar Gujarat Vij

Company Limited and through general sets installed at our manufacturing unit. For further details, please refer to the chapter titled “Our Business- Power” on page 87 of this Draft Letter of Offer.

The details of the expenditure incurred towards electricity consumption during the three-month period ended June 30, 2024 and the Fiscal ending March 31, 2024, March 31, 2023 and March 31, 2022 have been provided below:

(₹ in lakhs)

Particulars	Three-month period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount of expenditure incurred	% of total expenses	Amount of expenditure incurred	% of total expenses	Amount of expenditure incurred	% of total expenses	Amount of expenditure incurred	% of total expenses
Electrical expenditure	3.39	0.03	12.33	0.04	14.36	0.02	97.23	0.21

Since, we have a high power consumption, any unexpected or unforeseen increase in the tariff rates can increase the operating cost of our manufacturing unit and thereby cause an increase in the production cost which we may not be able to pass on to our customers. Further, we are also exposed to the risks of power disruption due to insufficient power supply in our manufacturing unit or due to calamities and other force majeure causes, which could force us to halt our manufacturing processes until such disruption exists. There are limited number of electricity providers in area from where we operate due to which in case of a price hike, we may not be able to find a cost-effective substitute, which may negatively affect our business, financial condition, cash flows and results of operations. There have been instances in the past, wherein our Company had to find alternative electricity suppliers due to hike in prices for our manufacturing unit, which strained our resources and was time consuming in nature.

34. Our Company has in the past not complied with the certain provisions of the Companies Act, 2013.

In the past, there have been instances, wherein our Company has not complied with certain provisions of the Companies Act, 2013 and the rules made therein, amended from time to time. For instance, our Company has failed to spend, in the preceding three Financial Years, at least two per cent. of the average net profits of our Company made during the three immediately preceding financial years in accordance with our Corporate Social Responsibility Policy. Further, our Company in accordance with Section 135 of the Companies Act, 2013 failed to transfer such unspent amount to a fund within a period of six months of the expiry of the preceding three Financial Years. Further, our Company has omitted or inadvertently mentioned incorrect disclosures in the Director’s report. Our Company has also failed to file Form MGT-14 for certain resolutions passed by our Board of Directors and/or Shareholders.

No show cause notice in respect to the above has been received by our Company till date and no penalty or fine has been imposed by any regulatory authority in respect to the same. It cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays or defaults in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position.

35. As the securities of our Company are listed on Stock Exchanges in India, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations. Any non-compliance/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.

The Equity Shares of our Company are listed on BSE and MSEI, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations, as well as requirements under the Companies Act for a listed Company. There have been instances in the past, wherein our Company has committed non-compliance of the SEBI Listing Regulations and actions in respect to the same have been initiated against us by the Stock Exchanges. For instance, our Company received a warning letter dated February 20, 2023 from BSE Limited on account of non-disclosure of material event under Regulation 30 of SEBI Listing Regulations, which

involved arrest of our Promoter, Managing Director and Chief Executive Officer, Hiteshkumar Gaurishankar Patel. The arrest took place on July 19, 2022 which warranted immediate disclosure under Regulation 30 of Listing Regulations, however, our Company submitted the said disclosure on January 06, 2023. Furthermore, our Company has received a warning letter dated May 31, 2023 bearing number SEBI/HO/CFD/SEC-II/OW/P/2023/22300/1 from SEBI in respect of the delay of one hundred and seventy days caused by our Company in intimating the arrest of our Promoter and Managing Director, Hiteshkumar Gaurishankar Patel to the Stock Exchanges under Regulation 30 of the SEBI Listing Regulations. SEBI in its letter informed our Company that the aforementioned non-compliance has been viewed seriously and warned our Company to comply with all applicable provisions of SEBI Regulations and that any aberrations in future would be viewed seriously and appropriate action would be initiated. The details of penalties/ fines imposed by Stock Exchanges on our Company on account of non-compliance of the SEBI Listing Regulations in the past, have been provided below:

S. No.	Quarter ending	Nature of non-compliance	Amount of penalty/ fine	Date of payment
1.	December 31, 2019	Regulation 27(2) Non-submission of the Corporate governance compliance report within the period provided under this regulation	The penalty was waived off	-
		Regulation 17(1) Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director	BSE Limited: 5,31,000 Metropolitan Stock Exchange of India Limited: 2,59,600	February 15, 2020 August 7, 2020
		Regulation 18(1) Non-compliance with the requirement of constitution of audit Committee	The penalty was waived off	-
		Regulation 19(1)/ 19(2) Non-compliance with the requirement of constitution of nomination and remuneration Committee	The penalty was waived off	-
		Regulation 20(2) Non-compliance with the requirement of constitution of stakeholder relationship committee	The penalty was waived off	-
		Regulation 21(2) Non-compliance with the constitution of risk management committee	The penalty was waived off	-
2.	June 30, 2020	Regulation 13 (1) of SEBI Listing Regulations	27,140	March 24, 2021
3.	September 30, 2020	Regulation 13 (1) of SEBI Listing Regulations	1,08,560	March 24, 2021
4.	December 31, 2020	Regulation 13 (1) of SEBI Listing Regulations	1,08,560	March 24, 2021
		Regulation 13 (1) of SEBI Listing Regulations	15,340	
5.	Period of December 10, 2020 to January 10, 2021	Regulation 13 (1) of SEBI Listing Regulations	8,260	March 24, 2021
6.	June 30, 2022	Regulation 6(1) Non-compliance with requirement to appoint a qualified company secretary as the compliance officer	The penalty was waived off	-
		Regulation 7(1) Non-compliance with requirement to appoint share transfer agent	The penalty was waived off	-

S. No.	Quarter ending	Nature of non-compliance	Amount of penalty/ fine	Date of payment
		Regulation 76 of SEBI(Depositories & Participants)Regulation, 2018 Non-submission of Reconciliation of share Capital audit Report.	The penalty was waived off	-
		Regulation 17(1) Non-compliance with therequirements pertaining to the composition of the Board including failure to appoint woman director	The penalty was waived off	-
		Regulation 17(1A) Non-compliance with the requirements pertaining to appointment or continuation of	The penalty was waived off	-
		Non-executive director who has attained the age of seventy-fiveyears		
		Regulation 17(2) Non-compliance with the requirements pertaining to thenumber of Board meetings	The penalty was waived off	-
		Regulation 17(2A) Non-compliance with the requirements pertaining to quorum of Board meetings.	The penalty was waived off	-
		Regulation 18(1) Non-compliance with the constitution of audit committee	The penalty was waived off	-
		Regulation 19(1)/ 19(2) Non-compliance with the constitution of nomination and remuneration committee	The penalty was waived off	-
		Regulation 20(2)/(2A) Non-compliance with the constitution of stakeholder relationship committee	The penalty was waived off	-
		Regulation 21(2) Non-compliance with the constitution of risk managementcommittee	BSE Limited: 2,14,760	October 05, 2023
		Regulation 27(2) Non-submission of the Corporate governance compliance report within the period provided under this regulation	The penalty was waived off	-
7.	September 30, 2022	Late submission under Regulation 23 (9) of the SEBI ListingRegulations	35,400	October 05, 2023

S. No.	Quarter ending	Nature of non-compliance	Amount of penalty/ fine	Date of payment
8.	September 30, 2022	Late submission under Regulation 13 (3) of the SEBI Listing Regulations	9,440	October 05, 2023
8.	Period from period September 11, 2022 to October 10, 2022	Regulation 13 (1) of SEBI Listing Regulations	18,360	November 15, 2022
9.	Period from period October 11, 2022 to November 10, 2022	Regulation 13 (1) of SEBI Listing Regulations	49,680	November 15, 2022
10.	Financial Year ended March 31, 2023	Regulation 24A of SEBI Listing Regulations	4,720	July 25, 2023
11.	June 30, 2023	Regulation 17(2) of SEBI Listing Regulations	11,800	September 16, 2023
12.	September 30, 2023	Regulation 33 of SEBI Listing Regulations	2,77,300	January 11, 2024
Total			16,79,920	

Since, during the preceding one year from the date of filing of this Draft Letter of Offer, there have been defaults in complying with the applicable provisions of SEBI Listing Regulations and accordingly, our Company has filed this Draft Letter of Offer under Part B-1 of Schedule VI of SEBI ICDR Regulations. Our Company endeavours to comply with all applicable obligations/reporting requirements, however, upon occurrence of any future instances of non-disclosures/delayed/erroneous disclosures and/or any other violations by us, our Company may be exposed to imposition of penalties, warnings and show cause notices being against us by SEBI and Stock Exchanges. Any future adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

36. We have experienced negative cash flows in relation to our operating and financing activities in recent years. Any negative cash flows from operating and financing activities in the future could adversely affect our results of operations and financial condition.

We have experienced negative cash flows from operations and in financing activities in the recent past. Our cash flow for Financial Years ending March 31, 2024, March 31, 2023 and March 31, 2022, are set forth in the table below:

Particulars	For the year ended March 31,		
	2024	2023	2022
Net cash generated from / (used in) Operating activities	(3,724.56)	(1,466.64)	1,711.72*
Net cash generated from / (used in) Investing activities	3.73*	(1.07)	0.68*
Net cash generated from / (used in) from Financing Activities	3,672.97*	1,448.19*	(1,693.10)

*Indicates positive cash flow

Reasons for incurring negative cash flow in operating and financing activities:

The primary reason for incurring negative cash flow in operating activities is that the cash outflow from operating activities of ₹353.35 lakhs lead to an increase in trade receivables by ₹37,065.63 lakhs, thereby indicating that our Company made sales to its customers on credit without having received cash payments from them. The delay

in receiving payments from our customers led to a negative impact on our cash flow from operating activities.

Further, in view of the above, an increase in the trade receivables implied that the customers of our Company owe a large amount of money, which affects our cash position. While these sales contribute to our revenue, the delay in receiving payments creates a strain on our Company's working capital and cash flow. To mitigate the negative impact of the increased trade receivables on cash flow, our Company availed additional borrowings during the year under financing activities. The additional borrowings of our Company compensated for the cash outflow resulting from the outstanding receivables.

While this adjustment helps to address the immediate cash flow needs, it also introduces a dependency on borrowed funds. Relying on borrowings to offset the negative impact of trade receivables can increase our Company's outstanding debt and interest expenses, potentially impacting its financial health in the long run.

In summary, the negative reason for the cash outflow from operating activities is the increase in trade receivables. This delay in collection of payments necessitated additional borrowings to manage our cash flow requirements. However, relying on borrowings to compensate for outstanding receivables may have implications for the overall financial stability and long-term sustainability of our Company.

Any negative cash flows in the future could adversely affect our results of operations and financial condition. For further details, see "Management's Discussion and Analysis of our Financial Condition and Results of Operations –Cash Flows" on page 164.

37. *Our industry is competitive and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows.*

We expect competition in the agro-commodity sector to further intensify due to the pressures on companies to expand and consolidate. Large and organized producers of agro-commodities are typically more successful than smaller and fragmented producers due to the working capital requirements and lead time required to set up processing plants as well as the benefits that economies of scale bring to Basmati paddy procurement, processing know-how, access to capital and client relationships. We expect competition from other Indian rice and wheat producers to continue to intensify as they expand to take advantage of economies of scale. Increased consolidation and organization among companies in the agro-commodity market could significantly increase competition and adversely affect our market share and business.

Our products compete with local retailers, non-branded products, economy brands and products of other established brands. Any increase in sale of such brands or if preference is given to such brands it may have an adverse impact on our business and results of operations. Some of our competitors may be larger than we are or develop alliances to compete against us and may have greater resources, market presence and geographic reach and have products with better brand recognition than ours. Some of our competitors may be able to procure raw materials at lower costs than us, and consequently be able to sell their products at lower prices. As a result, our competitors may be able to withstand industry downturns better than us or provide customers with products at more competitive prices. Some of our international competitors may be able to capitalize on their overseas experience to compete in the Indian market. While the aforementioned events have not occurred in the past, however occurrence of any such events could adversely affect our business operations.

Further, we are in the process of setting up a manufacturing unit for grain based ethanol. Our Company will also be venturing into new markets and will be forming new distribution networks. In view of the same we will also be competing with potential competitors in new and unexplored markets. Consequently, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition. We cannot assure you that we will be able to maintain our existing market share. Our competitors may significantly increase their marketing expenses to promote their brands and products, which may require us to similarly increase our advertising and marketing expenses and engage in effective pricing strategies, which we may not be able to pass on to our customers which in turn may have an adverse effect on our business, results of operations and financial condition.

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

Our Promoter, Directors, Key Managerial Personnel and Senior Management, may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. Our Company has executed a lease deed with our Promoter and Whole-time Director for our manufacturing unit and therefore they may be deemed to be interested to the extent of the rent payable to them by our Company. Our Promoter, Directors and Key Managerial Personnel may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further details please refer to “*Financial Information*” on page 116 of this Draft Letter of Offer.

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

39. *Our Promoter, members of our Promoter Group and our Directors have extended personal guarantees and have provided their personal property as collateral security for loan facilities availed by our Company. Revocation of any or all of these personal guarantees or withdrawal of such property may adversely affect our business operations and financial condition.*

Our Promoter, Hiteshkumar Gaurishankar Patel and member of our Promoter Group, M/s. Ravi Trading Company (through its partners, Ravikumar Gaurishankar Patel, Hiteshkumar Gaurishankar Patel and Jatinbhai Ramanbhai Patel) and our Whole-time Director and Chief Financial Officer, Navinchandra Dahyalal Patel have extended personal guarantees in favour of State Bank of India with respect to the loan facilities availed by our Company. Further, Hiteshkumar Gaurishankar Patel, Jatinbhai Ramanbhai Patel and Navinchandra Dahyalal Patel, have also provided certain of their personal properties, including our manufacturing unit as collateral security for the loan facilities availed by our Company from State Bank of India. The details of the personal guarantee extended by our Promoter, members of our Promoter Group and our Whole-time Director and Chief Financial Officer on behalf of our Company, have been provided below:

Name of the lender	Name of the Guarantor	Name of the facility	Amount of personal guarantee provided [^] (₹ in lakhs)
State Bank of India	Hiteshkumar Gaurishankar Patel*	Cash Credit, Covid Emergency Credit Line, Guaranteed Emergency Credit Line	5400.00
	Ravikumar Gaurishankar Patel*		
	Navinchandra Dahyalal Patel		

[^]Amount of the personal guarantee extended as of date of the sanction.

*Guarantee has been extended on behalf of M/s. Ravi Trading Company.

In the event any of these guarantees are revoked or the properties and shares provided as a security are withdrawn, our lenders may require us to furnish alternate guarantees or an additional security or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to us. There can be no assurance that our Company will be able to arrange such alternative guarantees or provide an alternate collateral security in a timely manner or at all. If our lenders enforce these restrictive covenants or exercise their options under the relevant debt financing agreements, our operations and use of assets may be significantly hampered and lenders may demand the payment of the entire outstanding amount and this in turn may also affect our further borrowing abilities thereby adversely affecting our business and operations. While the aforementioned events have not occurred in the past, however occurrence of any such events could adversely affect our business operations.

40. *Our Promoter has significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.*

After the completion of the Issue, our Promoter will hold approximately [●]% of the paid-up equity share capital of our Company assuming full subscription to the Rights Entitlement in the Issue. As of date of this Draft Letter

of Offer, members of our Promoter Group do not hold any shareholding in our Company. Our Promoter has undertaken to fully subscribe for his Rights Entitlement. He reserves the right to subscribe for his Rights Entitlement pursuant to any renunciation made in his favour. Such subscription for Equity Shares over and above his Rights Entitlement, if allotted, may result in an increase in his percentage shareholding above his current percentage shareholding. So long as the Promoter has a majority holding, he will be able to elect the entire Board and control most matters affecting us, including the appointment and removal of the officers of our Company, our business strategy and policies and financing. Further, the extent of the Promoter's shareholding in our Company may result in the delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to the other shareholders of our Company.

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

The details of our contingent liabilities are as follows:

(₹ in lakhs)

Particulars	As on June 30, 2023	As on June 30, 2024	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Contingent Liabilities:					
Contingent Liability- Income Tax	11,202.86	11,202.86	11,202.86	11,202.86	11,202.86
Contingent Liability- GST		10,342.19			
Total Contingent Liabilities	11,202.86	21,545.05	11,202.86	11,202.86	11,202.86

For further details of contingent liability, see the section titled — “Financial Information” on page 116 of this Draft Letter of Offer. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future. We have in the past entered into related party transactions and we may continue to do so in the future.

As of June 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, we have entered into several related party transactions with our Promoter, individuals and entities forming a part of our promoter group, relating to our operations. In addition, we have in the past also entered into transactions with other related parties. Please see below a summary of the related party transactions of the Company for the Fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021:

(₹ in lakhs)

S. No.	Nature of transaction	Year ended/Period ended	Key Managerial Personnel	Person with Interest by Key Managerial Personnel	Total
(i)	Electricity Expenses	March 31, 2024	-	-	-
		March 31, 2023	-	-	-
		March 31, 2022	-	32.30	32.30
(ii)	Salary, allowances and bonus	March 31, 2024	10.74	-	10.79
		March 31, 2023	10.49	-	10.49
		March 31, 2022	7.06	-	7.06
(iii)	Purchase of Goods	March 31, 2024	-	-	-
		March 31, 2023	-	-	-
		March 31, 2022	-	14.00	14.00
(iv)	Sale of goods	March 31, 2023	0.30	0.13	0.43
		March 31, 2023	0.16	0.05	0.21
		March 31, 2022	0.12	0.04	0.16
(v)	Advance Given	March 31, 2023	-	-	-
		March 31, 2023	-	-	-
		March 31, 2022	10.00	-	10.00

S. No.	Nature of transaction	Year ended/Period ended	Key Managerial Personnel	Person with Interest by Key Managerial Personnel	Total
(vi)	Advance Repaid	March 31, 2024	-	0.15	0.15
		March 31, 2023	-	-	-
		March 31, 2022	10.00	0.77	10.77
(vii)	Borrowings Taken	March 31, 2024	-	-	-
		March 31, 2023	-	-	-
		March 31, 2022	-	909.12	909.12
(viii)	Borrowings Repaid	March 31, 2024	-	15.82	15.82
		March 31, 2023	-	-	-
		March 31, 2022	-	909.12	909.12

e) Balances outstanding are as follows:

(₹ in lakhs)

S. No.	Nature of transaction	Year ended/Period ended	Key Managerial Personnel	Person with Interest by Key Managerial Personnel	Total
(i)	Payables	March 31, 2024	0.92	-	0.92
		March 31, 2023	0.85	15.82	16.67
		March 31, 2022	-	31.98	31.98
(ii)	Receivables	March 31, 2024	0.52	0.05	0.57
		March 31, 2023	0.37	0.20	0.57
		March 31, 2022	0.26	0.16	0.42

For further details, please refer to the section titled “Financial Information” on page 116.

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

42. Our Promoter is associated with entities, which have their main objects similar to that of ours which may be a potential source of conflict for us.

Our Promoter is associated with entities, namely, Wilshire Nutrifoods Limited, Celtis Commodities Limited, Appleton Cereals Limited, Acoustic Eco Foods Limited and Mishtann Agrifoods Private Limited, have main objects or are engaged in business similar to that of our Company and may carry out business activities which are similar to that of ours. This may be a potential source of conflict for us and may adversely affect our operations. As on date of this Draft Letter of Offer, we have not entered into a non-compete agreement with any of the said companies. There is no assurance that a conflict of interest may not occur between our business and the business of our such in the future, or that we will be able to take adequate measures to address such conflict or that we will be able to suitably resolve such a conflict without an adverse effect on our business or operations. While the aforementioned events have not occurred in the past, however occurrence of any such events could adversely affect our business operations.

43. Our Subsidiary has been formed to engage in a similar line of business as our Company and may compete with us.

Our Subsidiary, namely, GROW AND GRUB NUTRIENTS FZ-LLC, has been formed to engage in the same

business as that of our Company, and may have common pursuits with our Company. Our Company incorporated its Subsidiary in United Arab Emirates on April 19, 2023. Our Company through its Subsidiary proposes to import Thai rice and jasmine rice from Thailand and thereby diversify its product portfolio to include Thai rice and jasmine rice. Since, our Subsidiary has been formed to undertake business activities similar to that of our Company, we cannot assure you that there will be no conflict of interest in allocating business opportunities between us and our Subsidiary going forward. While, there is currently no active conflict between our Subsidiary and our Company, however we cannot assure you that there will not be any conflict of interest in allocating business opportunities between us and our Subsidiary going forward. We have not entered into any non-compete agreement with our Subsidiary, and there can be no assurance that our Subsidiary will not compete with our existing business or that we will be able to suitably resolve any such conflict without an adverse effect on our business and financial performance.

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

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

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

It may be possible for a lender to assert that we have not complied with all applicable terms under our existing financing documents. Further we cannot assure that we will have adequate funds at all times to repay these credit facilities and may also be subject to demands for the payment of penal interest. While the aforementioned events have not occurred in the past, future occurrence of any of these events could affect our financial condition, results of operations and prospects.

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

As on March 31, 2024 our Company's total secure fund-based indebtedness is ₹4,083.86 lakhs. In addition to the indebtedness for our existing operations, we may incur further indebtedness during the course of our business. We cannot assure you that we will be able to obtain further loans at favourable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition, we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows.

Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations. While the aforementioned events have not occurred in the past, future occurrence of any of these events could affect our financial condition, results of operations and prospects.

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

raised.

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

47. Our Company depends on the knowledge and experience of our Promoter, Hiteshkumar Gaurishankar Patel for our growth. The loss of his services may have a material adverse effect on our business, financial condition and results of operations.

Our Company depends on the management skills and guidance of our Promoter for development of business strategies, monitoring its successful implementation and meeting future challenges. Hiteshkumar Gaurishankar Patel, our Promoter, along with certain members of our Promoter Group, in January 2015, acquired the entire equity share capital of our Company (then known as Hics Cements Limited) from K.J. Khimani, Prashant Kantilal Khimani, Ketan Kantilal Khimani and K.J. Khimani – HUF and certain other shareholders. Our business operations are solely dependent upon our Promoter, his stature and business standing in the agro commodity market.

Our Company has not adopted a business succession policy therefore, we cannot assure you that in the event of loss of our Promoter, any replacements would be effective or that we will be able to ensure efficient transition of management and power from our Promoter to the replacement appointed by our Company. We also cannot assure you that any replacement appointment in place of our Promoter would carry out the functions and the responsibilities entrusted by our Company in an efficient manner and would contribute successfully in the business and operations of our Company.

In addition to our Promoter and Directors, our Key Managerial Personnel and our Senior Management complement the vision of our Promoter and perform a crucial role in conducting our day-to-day operations and execution of our strategies. In the event we are unable to attract and retain managerial personnel or our Key Managerial Personnel and our Senior Management join our competitors or form competing companies, our ability to conduct efficient business operations may be impaired. The loss of the services of such personnel or our Promoter and our inability to hire and retain additional qualified personnel may have an adverse effect on our business, financial condition and results of operations.

48. Non-compliance with and changes in, safety, health, labour and environmental laws and other applicable regulations, may adversely affect our business, results of operations and financial condition.

Our Company is engaged in the business of processing and packaging of fast-moving consumer goods, such as Basmati rice and wheat and marketing and selling of pulses and salt. Since, we are engaged in the business of manufacturing agro-commodities our manufacturing activities are subject to, among other laws and regulations promulgated by the Food Safety and Standard Authority of India. There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. While there have not been any instances in the past, where our Company had received notices from any regulatory authority forcing us to halt the business operations in our manufacturing unit due to non-adherence of rules and regulations governing our manufacturing unit. We cannot assure you that there will not be any instances in the future wherein our Company will not be forced to halt the operations in its manufacturing unit due to not complying with the applicable laws and such events will not cause loss of revenue and have an adverse impact on our business operations.

India has stringent labour legislations which protect the interest of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution, working conditions, hiring and termination of employees, contract labour and work permits and maintenance of regulatory and statutory records and making periodic payments, minimum wages and maximum working hours, overtime, working conditions, etc. Our Company has incurred and expects to continue to incur, operating costs to comply with such laws and regulations. In addition, our Company has made and expects to continue to make capital expenditures on an on-going basis to comply with the safety and health laws and regulations. Our Company may be liable to the Central and State governmental bodies with respect to its failures to comply with applicable laws and regulations. Further, the

adoption of new safety and health laws and regulations, new interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that our Company make additional capital expenditures or incur additional operating expenses in order to maintain its current operations or take other actions that could adversely affect its financial condition, results of operations and cash flow. Safety, health and environmental laws and regulations in India, in particular, have been increasing in stringency and it is possible that they will become significantly more stringent in the future. The costs of complying with these requirements could be significant and may have an impact on our financial condition. Therefore, if there is any failure by us to comply with the terms of the laws and regulations governing our operations we may be involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations. While the aforementioned events have not occurred in the past, future occurrence of any of these events could affect our financial condition, results of operations and prospects.

49. Our Company is highly dependent on unskilled contract labour for manufacturing of our products. Our operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees. If we are unable to continue to hire unskilled contract labour, the quality of our products being manufactured in our unit can get affected.

Our operations are significantly dependent on access to a unskilled contract laborers for operation of our manufacturing unit. The number of contract labourers employed by us varies from time to time based on the nature and extent of work in which we are involved. Our dependence on such unskilled contract labour may result in significant risks for our operations, relating to the availability of such contract labourers, as well as contingencies affecting availability of such unskilled contract laborers during peak periods. Further, our manufacturing unit and our proposed manufacturing unit are surrounded by a number of industries, which may create a demand-supply gap in the labour industry which may impact our business operations. There can be no assurance that we will have adequate access to unskilled workmen at reasonable rates. As a result, we may be required to incur additional costs to ensure timely execution of our orders. In the event, we are unable to source adequate numbers of unskilled laborers for our manufacturing unit or if we are exposed to an increased expense due to the surge in the wages of unskilled laborers, we cannot assure you that it will not impact our business operations and financial condition. For instance, during the COVID-19 pandemic, while our manufacturing unit was functional, since our products fall under 'essential goods', however the sales and revenue from operations recorded during the period starting from April 1, 2021 until May 1, 2021 were significantly impacted. The reduction in the volume of sales and decline of our revenue of operations during the aforementioned period was on account of scarcity of labour at our manufacturing unit and restrictions imposed for transportation of goods which resulted in a delay in supply of our products. We cannot assure you that any such events will not occur in the future and that such events will not affect our financial condition, results of operations and prospects.

We believe our employees and unskilled labour employed in our manufacturing unit are critical to maintain our competitive position. Although we have not experienced any material labour unrest, we cannot assure you that we will not experience disruptions in work or our retail operations due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations.

Our Company appoints independent contractors who in turn engage on-site unskilled contract labourers for carrying out the manufacturing process. Although our Company does not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent workmen. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition. In addition, on an application made by contract labourers, an Industrial court or Tribunal may direct that the contract labourers shall be regularized or absorbed or the State Government may altogether prohibit the employment of contract labour. If either of the above mentioned events occur, we may be required to induct such labourers on our payroll, as employees, which may result in an increase in our expenses. Further, even though we have obtained all necessary approvals as required under the statutes there can be no assurance that we may continue to hold such permits, licenses or approvals. In the event of cancellation or non-renewal of our approvals it may cause an interruption of our operations and may adversely affect our business, financial condition

and future results of operations. While we do not engage the contract labourers directly, in the event of default by any independent contractor, we may be held responsible for any wage payments that must be made to such labourers. If we are required to pay the wages of the contracted employees, our results of operations and financial condition could be adversely affected. Furthermore, all contract labourers engaged in our projects receive minimum wages that are fixed by the relevant State governments, and any increase in such minimum wages payable may adversely affect our results of operations.

50. *Our operations can be adversely affected in case of industrial accidents at our manufacturing unit. Further, our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability*

Our manufacturing process requires the use of heavy machines, which makes the labour employed at our manufacturing unit prone to accidents that occur during the course of our operations resulting in personal injuries causing permanent disability or even death. While, there have not been any material instances in the past, where fatal accidents have occurred in our manufacturing unit or where the labour employed at our manufacturing unit suffered death or disability, however, we cannot assure you that such instances would not happen in the future, leading to death or disablement of our employees. Although, we have availed standard fire & special perils insurance policy, burglary insurance policy and group mediclaim insurance policy, we cannot assure you that we will be able to receive a claim from these policies, failing which we will have to provide the compensation to the employees from our own resources. As on June 30, 2023, the total insurance coverage maintained by our Company aggregated to ₹ 6,088.96 lakhs, which constitutes to

1.61 times the net assets of our Company. There are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which in turn may expose us to certain risks and liabilities. For instance, a major fire broke out at our *erstwhile* registered office on May 6, 2022. Since, our Company had not obtained an insurance for securing our *erstwhile* registered office, we have suffered financial as well as operation loss on account of the fire. We cannot assure you that such events will not occur in the future or that the occurrence of such events will not impact our business operations and financial conditions. Further, there can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance had been availed. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it could adversely affect our results of operations and financial position.

Our Company has adopted adequate safety measures, however we cannot assure you that, in the future no such cases will be instituted against our Company, alleging that we were negligent or we did not provide adequate supervision therefore, holding us liable for injuries that were suffered during the manufacture of our products. In the event any such accidents take place in the manufacturing unit of our Company, we may get involved in litigation or other proceedings, or be held liable in any litigation or proceedings, incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations. While the aforementioned events have not materially occurred in the past, future occurrence of any of these events could affect our financial condition, results of operations and prospects.

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

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is working capital intensive and we are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Although our Company has declared dividends in the past, however there can be no assurance that our Company will declare dividends in the future also. The dividends declared by our Company on the Equity Shares in each of the Financial Years ending 2024, 2023 and 2022 has been provided below:

Particulars	Financial Performance		
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Face value per share (in ₹)	1.00	1.00	1.00
Amount of Dividend (in ₹ lakhs)		20.00	30.00
Dividend per Equity Share (in ₹)		0.002/-	0.005/-
Rate of dividend (%)		0.2%	0.5%

Further, there have been delays in declaration of dividends in the last three Financial Years, details of the delay have been provided below:

Particulars of the dividend	Delay in declaration of dividend (in number of days)
Declaration of first interim dividend for the Financial Year 2021-2022	285
Declaration of second interim dividend for the Financial Year 2021-2022	198

The delay in declaration of dividend was caused on account of delay in opening of a dividend account. In addition to the above, the final dividend to the extent of ₹ 5 lakhs was not paid to the Shareholders during the for FY 2021-22 due to non-opening of the dividend account with State Bank of India as per RBI guideline. Furthermore, the Ind AS Schedule III to the Companies Act, 2013 mandated that the dividends in respect of the period covered in the financial statements, which are proposed or declared after the balance sheet date and after the approval of the financial statements, should not be recognized as a liability or disclosed in the financial statements for the reporting period. Such dividends should be recognized as a liability in the subsequent reporting period when it meets the criteria for recognition as a liability. Further, in accordance with the Ind AS Schedule III to the Companies Act, 2013, an annual dividend becomes an actual liability only when it is approved by the shareholders in a general meeting. Once the dividend is approved, it should be recognized as a liability in the financial statements for the period in which the general meeting takes place. Our Company has inadvertently failed to adhere to the above accounting principles and has incorrectly recorded the liability of annual dividend in the year to which it relates without assessing the timing of recognition as per Ind AS. Further, our Company has not recognized liability of interim dividend declared and has approved the same before the reporting date.

While, no show cause notice in respect to the above has been received by our Company till date and no penalty or fine has been imposed by any regulatory authority in respect to the same. It cannot be assured, that there will not be such instances of delay or default in declaration of dividends in the future, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position.

52. *Reliance has been placed on declarations and an affidavit furnished by Navinchandra Dahyalal Patel, our Whole-time Director and Chief Financial Officer.*

Our Whole-time Director and Chief Financial Officer has been unable to trace copies of certain documents pertaining to his educational qualifications. He has taken the requisite steps to obtain the relevant supporting documentation, including by making a written request to his educational institution, he has not been able to procure the relevant supporting documentation. Accordingly, reliance has been placed on an affidavit furnished by Navinchandra Dahyalal Patel to disclose such details in this Draft Letter of Offer. We have not been able to independently verify these details in the absence of primary documentary evidence. Further, there can be no assurances that our Directors will be able to trace the relevant documents pertaining to their educational qualifications in the future, or at all. Therefore, we cannot assure you that all or any of the information relating to the educational qualifications of Navinchandra Dahyalal Patel included in “*Our Management*” on page 101 is complete, true and accurate.

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

Our business and the industry in which we operate are vulnerable to the problem of pilferage by employees, damage, misappropriation of cash and inventory management and logistical errors. While, no incidents of pilferage, misappropriation of cash and inventory or any cases of theft, robbery, employee fraud, *etc.* have not been reported, any such instances in the future may lead to an increase in product losses and may also require us

to install additional security and surveillance equipment and incur additional expenses towards inventory management and handling. We cannot assure you whether these measures will successfully prevent such losses. Further, there are inherent risks in cash management as part of our operations, which include theft and robbery, employee fraud and the risks involved in transferring cash to banks. Additionally, in case of losses due to theft, financial misappropriation, fire, breakage or damage caused by other casualties, we cannot assure you that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us or the termination of coverage under the relevant policy. While the aforementioned events have not materially occurred in the past, future occurrence of any of these events could affect our financial condition, results of operations and prospects.

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

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. We meet our capital requirements through our bank finance, unsecured loans, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled “Objects of the Issue” beginning on page 70 of this Draft Letter of Offer.

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

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For details, see “Objects of the Issue” on page 62.

- 56. *Any variation in the utilisation of the Net Proceeds of the Issue as disclosed in this Draft Letter of Offer shall be subject to certain compliance requirements, including prior Shareholders’ approval.***

We propose to utilize the Net Proceeds to meet additional working capital requirements. For further details of the proposed objects of the Issue, please refer “Objects of the Issue” on page 70. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds from the Issue as disclosed in this Draft Letter of Offer without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders’ approval may adversely affect our business or operations. Further, our Promoter would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Issue as prescribed in the SEBI (ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition, and may adversely affect our business and results of operations.

- 57. *We have not commissioned an industry report for the disclosures made in the chapter titled “Industry” and made disclosures on the basis of the data available on the internet.***

We have not commissioned an industry report, for the disclosures which need to be made in the chapter titled “Industry” of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online. The industry data mentioned in this Draft Letter of Offer sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context

ISSUE SPECIFIC RISKS

- 58. *We will not distribute the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter to overseas Shareholders who have not provided an address in India for service of documents.***

In accordance with the SEBI ICDR Regulations and SEBI Master Circular our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. 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, 2013 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, 2013 and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions 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, 2013 and may subject us to fines or penalties.

- 59. *SEBI has by way of the SEBI Master Circular, 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 Master Circular 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 155.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (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 suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; 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.

- 60. *The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholder”) may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with the SEBI Master Circular, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least 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 two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 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 details, please refer chapter “Terms of the Issue” on page 155.

- 61. *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 the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees 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 Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see “*Terms of the Issue*” on page 155.

62. *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.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares 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 exchanges 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.

64. *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, cash flows or financial condition, or other events affecting the Applicant’s decision to invest in the Equity 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 Equity 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.

65. *Investors will be subject to market risks until the Equity Shares credited to the investors demat account are listed and permitted to trade.*

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

- 66. *You may not receive the Equity Shares that you subscribe in the Issue until 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 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 period, subjecting you to market risk for such period.

- 67. *The trading price of our Equity Shares may be subject to volatility and you may not be able to sell your Equity Shares at or above the Issue Price.***

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

- 68. *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 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 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.

- 69. *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 Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian 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.

70. *Investors will not have the option of getting the allotment of Equity Shares in physical form.*

In accordance with the SEBI ICDR Regulations, the Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. For details, see “Terms of the Issue” on page 155. This may impact the ability of our shareholders to receive the Equity Shares in the Issue.

71. *There is no guarantee that our Equity Shares will be listed, or continue to be listed, on the Indian stock exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on the Stock Exchanges.*

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be applied for or granted until after our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. Accordingly, there could be a failure or delay in listing our Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell our Equity Shares.

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

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

73. *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.

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

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

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

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect

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

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

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

77. *Our 100% Revenue is not derived from business in India and a decrease in economic growth in India could cause our business to suffer.*

We do not derive 100% of our revenue from our operations in India and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

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

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

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

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

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

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

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

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

condition and results of operations, in particular.

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

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

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

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

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

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

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

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

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorized through a resolution passed by our Board at its meeting held on June 06, 2024 pursuant to Section 62(1)(a) of the Companies Act. The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled “*Terms of the Issue*” on page 193 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Upto [●] Equity Shares
Rights Entitlement	Upto [●] Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Record Date	[●]
Face value per Equity Shares*	₹ 1/-
Issue Price per Rights Equity Shares	₹ [●]/-
Issue Size	Upto ₹ [●] Equity Shares of face value of ₹ 1 each for cash at a price of ₹ [●] (Including a premium of ₹ [●]) per Rights Equity Share not exceeding an amount of ₹ 5,000 lakhs.
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank <i>pari passu</i> in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue	1,02,96,00,000 Equity Shares
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	Upto [●] Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●]
Money payable at the time of Application/ Terms of payment	₹ [●]
Scrip Details	ISIN: INE094S01041 Rights Entitlement ISIN: [●] BSE: 539594 MSEI: MISHTANN
Use of Issue Proceeds	For details please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 70 of this Draft Letter of Offer.
Terms of the Issue	For details please refer to the chapter titled “ <i>Terms of the Issue</i> ” on page 155 of this Draft Letter of Offer.

Please refer to the chapter titled “*Terms of the Issue*” on page 155 of this Draft Letter of Offer.

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:

Event	Indicative Date
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights**	[●]
Issue Closing Date*	[●]

*The Board of Directors 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 the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.

**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.

GENERAL INFORMATION

Our Company was incorporated under the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli under the name '*HICS Cements Private Limited*' and a certificate of incorporation dated February 27, 1981. Pursuant to a resolution passed by our Shareholders in the Annual General Meeting held on September 25, 1994, our Company was converted from a private limited company into a public limited, consequent to which the name of our Company was changed from '*HICS Cements Private Limited*' to '*HICS Cements Limited*' and a fresh certificate of incorporation dated October 21, 1994, was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, pursuant to a special resolution passed by the Shareholders of our Company by way of voting through Postal Ballot for which results were declared on February 13, 2015, the name of our Company was changed from '*HICS Cements Limited*' to '*Mishtann Foods Limited*' and a fresh certificate of incorporation dated February 19, 2015, was issued by the Registrar of Companies, Gujarat at Ahmedabad. At the time of incorporation, our registered office was located at Shah Commercial Centre, Station Road, Bhuj – 370 001, Gujarat, India. Subsequently, pursuant to a resolution passed by our Shareholders in the AGM held on September 30, 2015, the Registered Office of our Company was shifted to C-808, Ganesh Meridian, Opp. High Court of Gujarat, S. G. Highway, Ahmedabad- 380 060, Gujarat, India with effect from September 30, 2015. Subsequently, pursuant to a resolution passed in the meeting of the Board of Directors of the Company held on July 27, 2023, the Registered Office of our Company was shifted to B-905, Empire Business Hub, Opp Shakti Farm, Science City Road, Sola, Ahmedabad- 380 060, Gujarat, India with effect from July 28, 2023.

Registered Office of our Company

Mishtann Foods Limited

B-905, Empire Business Hub, Opp Shakti Farm,
Science City Road, Sola, Ahmedabad- 380 060, Gujarat, India.

Telephone: +91 982 462 3116

Fax No.: N.A.

E-mail: info@mishtann.com

Website: www.mishtann.com

Registration Number: 004170

CIN: L15400GJ1981PLC004170

As on the date of this Draft Letter of Offer, our Company does not have a corporate office.

Registrar of Companies

Our Company is registered with the Registrar of Companies, Gujarat at Ahmedabad, which is situated at the following address:

The Registrar of Companies, Gujarat at Ahmedabad

ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013,
Gujarat, India

Board of Directors of our Company

Set forth below are the details of our Board of Directors as on the date of this Draft Letter of Offer:

Name	Age	Designation	Address	DIN
Hiteshkumar Gaurishankar Patel	38	Chairman and Managing Director	Opposite Prathamik Shala, Narsinhpura, Kukadiya, Idar, Sabarkantha, - 383 410, Gujarat, India.	05340865
Navinchandra Dahyalal Patel	56	Whole-time Director and Chief Financial Officer	Deri Wadi Fali, Narsinhpura, Kukadiya, Idar, Sabarkantha - 383410, Gujarat, India.	05340874

Name	Age	Designation	Address	DIN
Rainy Ramesh Singhi	33	Independent Director	39, Milan Park, Sandesh Press Road, Bodakdev, Ahmedabad-380015, Gujarat, India.	09844099
Bhumi Jayantkumar Gor	36	Independent Director	6/32, Sarkari Vashahat, Bodak Dev, Government Colony, Near Door Darshan Kendra, Bodak Dev, Ahmedabad – 380 054, Gujarat, India.	08529661
Nihar Gaurang Sheth	31	Independent Director	A/2, Monica Apartment, Nr Shreyas Rly Crossing, Paldi, Ahmedabad- 380007, Gujarat, India.	10308024
Ashish Agarwal	34	Independent Director	40, Ganges Shree Apartment, Dharam Das Kundu Lane, Block A, 3 rd floor, Shibpur, Howrah – 711102, West Bengal, India.	06904914

For detailed profile of our Directors, please refer to the chapter titled “*Our Management*” on page 101 of this Draft Letter of Offer.

Chief Financial Officer

Navinchandra Dahyalal Patel, is the Whole-time Director and Chief Financial Officer of our Company. his contact details are set forth hereunder.

B-905 Empire Business Hub, Opp Shakti Farm,
Science City Road, Sola, Ahmedabad- 380 060, Gujarat, India
Telephone: +91 982 462 3116
E-mail: navinchandra@mishtann.com

Company Secretary and Compliance Officer

Shivangi Digant Shah, Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder.

B-905 Empire Business Hub, Opp Shakti Farm,
Science City Road, Sola, Ahmedabad- 380 060, Gujarat, India
Telephone: +91 982 462 3116
E-mail: cs@mishtann.com

Details of Key Intermediaries pertaining to this Issue of our Company: Registrar to the Issue

KFin Technologies Limited

Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana, India.

Telephone: +91 406 716 2222;

Toll Free number: 1800 309 4001 ;

Email: mishtann.rights@kfintech.com;

Website: www.kfintech.com;

Investor grievance e-mail: einward.ris@kfintech.com

Contact Person: M Murali Krishna

SEBI Registration No.: INR000000221

Statutory and Peer Review Auditor of our Company

M/s Panchal S K & Associates

Chartered Accountants

1601, Sun Central Place, Bopal Circle,
SP Ring Road, Opp. Iscon Platinum,
Bopal, Ahmedabad 380058, Gujarat, India.

Telephone: +91 75738 00080

Email: office@spanchalassociates.com

Contact Person: CA Swati Panchal

Membership No.: 149279

Firm Registration No.: 145989W

Peer Review Certificate No.: 013537

Bankers to the Issue/ Refund Bank

The Banker to the Issue/ the Refund Bank shall be appointed prior to filing of the Letter of Offer.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Inter-se Allocation of Responsibilities

The Company has not appointed any merchant banker as the Issue size is less than ₹5,000.00 lakhs and hence there is no inter-se allocation of responsibilities.

Expert Opinion

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

Our Company has received written consent dated August 12, 2024 from the Statutory Auditor to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated August 12, 2024 on our Restated Financial Information for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022; (ii) limited reviewed report dated July 13, 2024 on the unaudited consolidated financial results for the financial statements for the three-month period ended June 30, 2024 in this Draft Letter of Offer; and (iii) the statement of tax benefits dated August 12, 2024 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer.

Investor grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process.

Credit Rating

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

Debenture Trustees

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

Monitoring Agency

As the net proceeds of the Issue shall not exceed ₹10,000 lakhs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for Rights Issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer shall be filed with BSE Limited and Metropolitan Stock Exchange of India Limited and not with SEBI. However, the Letter of Offer shall be submitted with SEBI for information and dissemination purposes and shall be filed with the Stock Exchange.

Changes in Auditors during the last three years

The Members of the Company have approved the appointment of M/s Panchal S K & Associate, Chartered Accountants (Firm Registration No. 145989W) as the Statutory Auditor of the Company at 44th Annual General Meeting of the Company held on June 29, 2024 to hold office for a term of five years from the conclusion of the 44th Annual General Meeting (AGM) till the conclusion of 49th AGM to be held in the year 2029, in place of existing auditor of the Company M/s. J. M. Patel & Bros., Chartered Accountants, retired at the Conclusion of 44th Annual General Meeting after completing the term of appointment of five years.

Underwriting Agreement

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

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

: Event	Indicative Date
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights [#]	[●]
Issue Closing Date [*]	[●]

**The Board of Directors 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 the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

[#]Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to 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 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 one day before the Issue Closing Date, i.e., [●], [●].

Investors are advised to ensure that the Application Forms 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 Application Formson or before the Issue Closing Date. Further, it is also encouraged that the Applications are submitted well in advance before Issue Closing Date. For details on submitting Application Forms, see “*Terms of the Issue - Process of making an Application in the Issue*” on page 155 of this Draft Letter of Offer. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at <https://rights.kfintech.com>, after keying in their respective details along with other security control measures implemented thereat. For further details, see “*Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” on page 155 of this Draft Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights 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 Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the Issue.

Minimum Subscription

Our Promoter *vide* his letter dated August 24, 2023 (the “**Subscription Letter**”) has undertaken to: (a) subscribe to the full extent of his Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in his favour; and (b) subscribe for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue. Further, the objects of the Issue involve financing other than financing of capital expenditure for a project.

As of date of this Draft Letter of Offer, except our Promoter, none of the members of our Promoter Group, hold Equity Shares in our Company.

Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Letter of Offer and after giving effect to the Issue is set forth below:

S. No.	Particulars	Amount (in ₹ Lakhs, except share data)	
		Aggregate value at nominal value	Aggregate value at Issue Price
A.	Authorised Share Capital		
	1,30,00,00,000 Equity Shares of ₹ 1 each	13,000.00	
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	1,02,96,00,000 Equity Shares of face value of ₹ 1 each	10,296.00	
C.	Present Issue in terms of this Draft Letter of Offer⁽¹⁾		
	Up to [●] Equity Shares of ₹ 1 each	[●]	[●]
D.	Issued, Subscribed and Paid-Up Share Capital after the Issue⁽²⁾		
	[●] Equity Shares of face value of ₹ 1 each	[●]	
E.	Securities Premium Account		
	Before the Issue	3,700.00	
	After the Issue	[●]	

⁽¹⁾The present Issue has been authorised vide a resolution passed at the meeting of the Board of Directors dated June 06, 2024. The terms of the Issue including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by the Board at its meeting held on [●].

⁽²⁾ Assuming full subscription for and Allotment of Equity Shares. Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue related expenses.

NOTES TO CAPITAL STRUCTURE

1. Details of outstanding instruments as on the date of this Draft Letter of Offer:

As on date of this Draft Letter of Offer, our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme. Further, it has not issued any convertible securities which are outstanding as of date of this Draft Letter of Offer.

2. Intention and extent of participation by our Promoter and Promoter Group in the Issue:

Our Promoter vide his letter dated August 12, 2024 (the “**Subscription Letter**”) has undertaken to: (a) subscribe to the full extent of his Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in his favour; and (b) subscribe for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue.

As of date of this Draft Letter of Offer, except our Promoter, none of the members of our Promoter Group, hold Equity Shares in our Company.

Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable.

The additional subscription, if any, by our Promoter shall be made subject to such additional subscription not resulting in the minimum public shareholding of our Company falling below the level prescribed in SEBI Listing Regulations and SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

3. Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchanges in compliance with the SEBI Listing Regulations

- i. The shareholding pattern of our Company as on June 30, 2023, can be accessed on the website of the BSE at: <https://www.bseindia.com/stock-share-price/mishtann-foods-ltd/mishtann/539594/shareholding-pattern/>
- ii. Statement showing shareholding pattern of the Promoter including details of lock-in, pledge of and encumbrance thereon, as on June 30, 2023 can be accessed on the website of the BSE at: <https://www.bseindia.com/stock-share-price/mishtann-foods-ltd/mishtann/539594/shareholding-pattern/>
- iii. Statement showing holding of Equity Shares of persons belonging to the category "Public" including shareholders holding more than 1% of the total number of Equity Shares as on June 30, 2023 can be accessed on the website of the BSE at <https://www.bseindia.com/stock-share-price/mishtann-foods-ltd/mishtann/539594/shareholding-pattern/>

4. Details of shares locked-in, pledged, encumbrance by Promoter and promoter group:

As on the date of this Draft Letter of Offer, the shareholding of our Promoter has not been pledged or otherwise encumbered. Further, as on date of this Draft Letter of Offer, except our Promoter, none of the members of our Promoter Group, hold Equity Shares in our Company.

5. Details of specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of the Draft Letter of Offer:

The details of the acquisition made by our Promoter in the preceding one year can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/mishtann-foods-ltd/mishtann/539594/disclosures-sast/>. Except as mentioned above, our Promoter has not acquired any Equity Shares in the last one year immediately preceding the date of filing of the Draft Letter of Offer.

6. Details of the shareholders holding more than 1% of the issued and paid-up Equity Share capital

The details of shareholders of our Company holding more than 1% of the issued and paid-up Equity Share capital of our Company, as on June 30, 2023 are available on the website of BSE at: <https://www.bseindia.com/corporates/shpdrPercent.aspx?scripcd=539594&qtrid=121.00&CompName=Mishtann%20Foods%20Ltd&QtrName=March%202024&Type=TM>

7. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹ [●]/- per equity share.

8. At any given time, there shall be only one denomination of the Equity Shares of our Company.

9. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. Further, the Equity Shares allotted pursuant to the Issue, shall be fully paid up.

OBJECTS OF THE ISSUE

Our company proposes to utilize the net proceeds from the Issue towards funding the following objects:

1. To augment the existing and incremental working capital requirement of our Company; and
2. General Corporate Purposes (collectively, referred to hereinafter as the “**Objects**”)

We intend to utilize the Gross Proceeds raised through the Issue (the “**Issue Proceeds**”) after deducting the Issue related expenses (“**Net Proceeds**”) for the above-mentioned Objects.

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.

Details of Issue Proceeds

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

Sr. No.	Particulars	Estimated Amount
1	Gross Proceeds from the Issue*	Upto 5,000.00
2	Less: Issue related expenses**	[●]
Net Proceeds from the Issue		[●]

(₹ in lakhs)

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

** To be determined at the time of filing the Letter of offer.

Requirement of Funds and Utilization of Net Proceeds

We intend to utilize the Net Proceeds are set forth in the following table:

Sr. No.	Particulars	Estimated Amount*
1.	To augment the existing and incremental working capital requirement of our Company	Upto 4,000
2.	General Corporate Purposes*	[●]
Net proceeds from the Issue**		[●]

(₹ in lacs)

* Subject to the finalization of the Basis of Allotment and the Allotment. The amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds.

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

Means of Finance

The funding requirements mentioned above are based on *inter alia* our Company’s internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment, costs of commodities, interest or exchange rate fluctuations. Our Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds and identifiable internal accruals. Therefore, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Proposed Schedule of Implementation and Deployment of Funds

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

Sr. No.	Particulars	Amount to be deployed from Net Proceeds (Amount in lacs)	Estimated deployment of Net Proceeds for the FY 2024-25 (Amount in Lacs)
1	To augment the existing and incremental working capital requirement of our Company	Upto 4,000	Upto 4,000
2	General Corporate Purposes [#]	[●]	[●]
Total Net proceeds from the Issue*		[●]	[●]

#The amount to be utilized for General corporate purposes will not exceed 25% of the Gross Proceeds;

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

Our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our Board. 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. Further, in the event of any shortfall of funds for any of the activities proposed to be financed out of the Net Proceeds, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Our Company may also utilize any portion of the Net Proceeds, towards the aforementioned objects of the Issue, ahead of the estimated schedule of deployment specified above. Further, in the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Issue during the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods as may be determined by our Company, in accordance with applicable laws.

In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not completely met, the same shall be utilized in the next fiscal year, as may be determined by our Company, in accordance with applicable laws. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing objects, if required and towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

Details of the Objects of the Issue

1. To augment the existing and incremental working capital requirement of our Company

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and availed working capital loan from banks and financial institutions. We operate in a 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.

Basis of estimation of working capital requirement

The details of our Company's working capital as at March 31, 2022, March 2023, March 31, 2024 and March 31, 2025 and source of funding of the same are provided in the table below:

Particulars	Fiscal 2022 (Restated)	Fiscal 2023 (Restated)	Fiscal 2024 (Restated)	Fiscal 2025 (Provisional)
(A) Current Assets				
(a) Inventories	4,029.91	2,814.48	2,461.13	2,700.00
(b) Financial Assets				
(i) Trade Receivables	9,920.45	22,052.39	59,118.02	65,000.00
(ii) Cash and cash equivalents	24.12	4.60	49.82	50.00
(c) Other Current Assets	1,441.01	72.65	2,179.13	2000.00
Total Current Assets (A)	15,415.49	24,944.12	63,808.10	69,750.00
(B) Current Liabilities				

(a) Financial liabilities				
(i) Trade payables	230.91	348.46	252.06	300.00
(ii) Other financial liabilities	20.04	20.06	10.17	15.00
(b) Other current liabilities	79.16	139.58	165.78	165.78
(c) Current tax liabilities (net)	2,400.67	5,392.58	6,264.32	6264.32
Total Current Liabilities (B)	2,730.78	5,900.68	6,692.33	6,745.10
Working Capital (A-B)	12,684.71	19,043.44	57,115.77	63,004.90
Funding Pattern				
I) Borrowings for meeting working capital requirements	3,485.64	5,449.85	4,083.86	3004.90
II) Networth / Internal Accruals	9,199.07	13,593.59	53,032.11	60,000.00

Particulars	Holding Level for year ended			
	March 31, 2022 (Restated)	March 31, 2023 (Restated)	March 31, 2024 (Restated)	March 31, 2025 (Projected)
Inventories	29	19	25	25
Trade Receivables	66	90	90	90
Trade Payables	2	2	5	5

(*) Does not includes Creditors for Capital Goods

Note: Pursuant to the certificate dated August 13, 2024 issued by the Statutory Auditor.

On the basis of the existing working capital requirements of the Company and the incremental and proposed working capital requirements, the details of our Company's expected working capital requirements, as approved by the Rights Issue Committee pursuant to a resolution passed in its meeting held on August 12, 2024 for the Fiscal 2024 and funding of the same are as provided in the table below:

Details of Projected Working Capital Requirements

(₹ in lakhs)

Particulars	Fiscal 2025 (Projected)
(A) Current Assets	
(a) Inventories	2,700.00
(b) Financial Assets	
(i) Trade Receivables	65,000.00
(ii) Cash and cash equivalents	50.00
(c) Other Current Assets	2000.00
Total Current Assets (A)	69,750.00
(B) Current Liabilities	
(a) Financial liabilities	
(i) Trade payables	300.00
(ii) Other financial liabilities	15.00
(b) Other current liabilities	165.78
(c) Current tax liabilities (net)	6264.32
Total Current Liabilities (B)	6,745.10
Working Capital (A-B)	63,004.90
Funding Pattern	
I) Borrowings for meeting working capital requirements	3004.90
II) Networth / Internal Accruals	56,300.00
III) Proceeds from Rights Issue	3,700.00
Particulars	Holding Level for year ended March 31, 2025 (Projected)
Inventories	25
Trade Receivables	90
Trade Payables	5

Note: Pursuant to the certificate dated August 12, 2024 issued by the Statutory Auditor.

Assumptions for Holding Period of Working Capital Requirements

Sr No.	Particulars	Assumption
1	Inventories	The company has a 45 MT per hour manufacturing facility with high capacity processing. Inventory can be processed at a faster pace, and hence, holding inventory for longer periods will lead to idle current assets. Inventory holding levels at 11 days seems to be reasonable in view of lead time for procurement of raw materials as well as nature & volume of business activity of the company.
2	Trade Receivables	The historical holding days of trade receivables has stretched after the Covid 19 pandemic. As per the current credit terms of the company & prevalent trend in business of the company, the holding level for debtors anticipated at 90+ days of total gross sales during FY 2024-25.
3	Trade Payables	We intend to decrease the credit period expected from our creditors due to fulfilment of our working capital requirements through our proposed Rights Issue. This would help us in maintaining good relations with our creditors.

Note: Pursuant to the certificate dated August 12, 2024 issued by the Statutory Auditor.

(Please provide working capital certificate)

2. General Corporate Purposes

Our Company intends to deploy the balance Gross Proceeds, aggregating to ₹[●] lakhs towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross proceeds in compliance with the SEBI ICDR Regulations.

The general corporate purposes for which our Company proposes to utilise Net Proceeds may include, but are not restricted to, salaries and wages, rent, administration expenses, electricity bills of manufacturing plants, godown and offices, upgradation of information technology infrastructure, insurance related expenses, payment of taxes and duties, repair, maintenance, renovation and upgradation of our offices or branches, strategic initiatives, funding growth opportunities such as acquiring assets include furniture, fixtures and vehicles, leasehold improvements and intangibles, and similar other expenses incurred in the ordinary course of our business or towards any exigencies.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Issue Related Expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses and registrar and depository fees. The estimated Issue related expenses are as follows:

Particulars	Expenses*	As a % of total expenses*	As a % of Gross Issue size*
Fees of the Bankers to the Issue, Registrar to the Issue, Legal Advisor, 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			
Total estimated Issue expenses*	[●]	[●]	[●]

Note: Subject to finalisation of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds from the Issue.

Interim Use of Funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Net Issue Proceeds for any investment in equity and/ or real estate products and/ or equity linked and/ or real estate linked products.

Appraisal by Appraising Agency

None of the objects have been appraised by any bank or financial institution or any other independent third-party organizations.

Bridge Financing Facilities

As on the date of this Draft Letter of Offer, we have not entered into any bridge financing arrangements which are subject to being repaid from the Issue Proceeds.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Monitoring of Utilization of Funds

Since the proceeds from this Issue are less than ₹10,000 lakhs, 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 and the Board of Directors of the Company 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 our 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 approval from the Stock Exchange.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. Pursuant to Regulation 32 of the SEBI (LODR) Regulations, 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) Regulations, the Company shall furnish to the Stock Exchange, 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.

Key Industrial Regulations for the Objects of the Issue

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

Other Confirmations

Our Promoter and Directors do not have any interest in the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Directors and Key Managerial Personnel of our Company.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors
Mishtann Foods Limited
B-905, Empire Business Hub,
Opp Shakti Farm,
Science City Road, Sola,
Ahmedabad – 380060
Gujarat, India

Re: Proposed rights issue of equity shares of face value Rs. 1each (the “Equity Shares” and such offering, the “Issue”) of Mishtann Foods Limited (the “Company”) pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI Regulations”) and the Companies Act, 2013, as amended (the “Act”).

We hereby report that the enclosed Statement prepared by Mishtann Foods Limited (the “Company”) states the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2023 (hereinafter referred to as “**Income Tax Laws**”), 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 there under, Foreign Trade Policy, presently in force in India, and also to its the Material Subsidiaries of the Company under the respective tax laws of their country as on the signing date, for inclusion in the Draft Letter of Offer and Letter of Offer for the proposed rights issue of the Company to the existing shareholders. These benefits are dependent on the Company or its Material Subsidiaries or the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or its Material Subsidiaries or the shareholders of the Company to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or its Material Subsidiaries or the shareholders of the Company may or may not choose to fulfill.

Following are the Material Subsidiaries as identified by the Company:

Material Subsidiaries: 1. GROW AND GRUB NUTRIENTS FZ LLC
2. GROW & MORE NUTRIENTS PTE. LTD

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.

Further, the preparation of the enclosed Statement and its contents was the responsibility of the management of the Company. We were informed that 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 proposed Issue.

We have conducted our examination in accordance with the ‘*Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)*’ and ‘*Guidance Note on the Reports in Company Prospectuses (revised 2019)*’ (‘**the Guidance Notes**’) issued by the Institute of Chartered Accountants of India (‘**ICAI**’). The Guidance Notes require that we comply with ethical requirements of the *Code of Ethics* issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements

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

- the Company or the shareholders of the Company will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable, have been / would be met with.

The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views expressed herein are based on the facts and assumptions indicated to us. 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 change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

This statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of extracts of this statement in the Draft Letter of Offer and Letter of Offer and submission of this statement to the Securities and Exchange Board of India, the stock exchanges where the Equity Shares of the Company are proposed to be listed, in connection with the proposed Issue, as the case may be.

For and on behalf of M/s. Panchal S K & Associates
Chartered Accountants
Firm Registration Number: 145989W

Name: CA Swati Panchal
ICAI Membership Number: 149279
UDIN:
Date: 13/08/2024
Place: Ahmedabad

Encl: As under

ANNEXURE I

There are no special tax benefits available to the Company and its Shareholders.

SECTION IV – ABOUT THE COMPANY

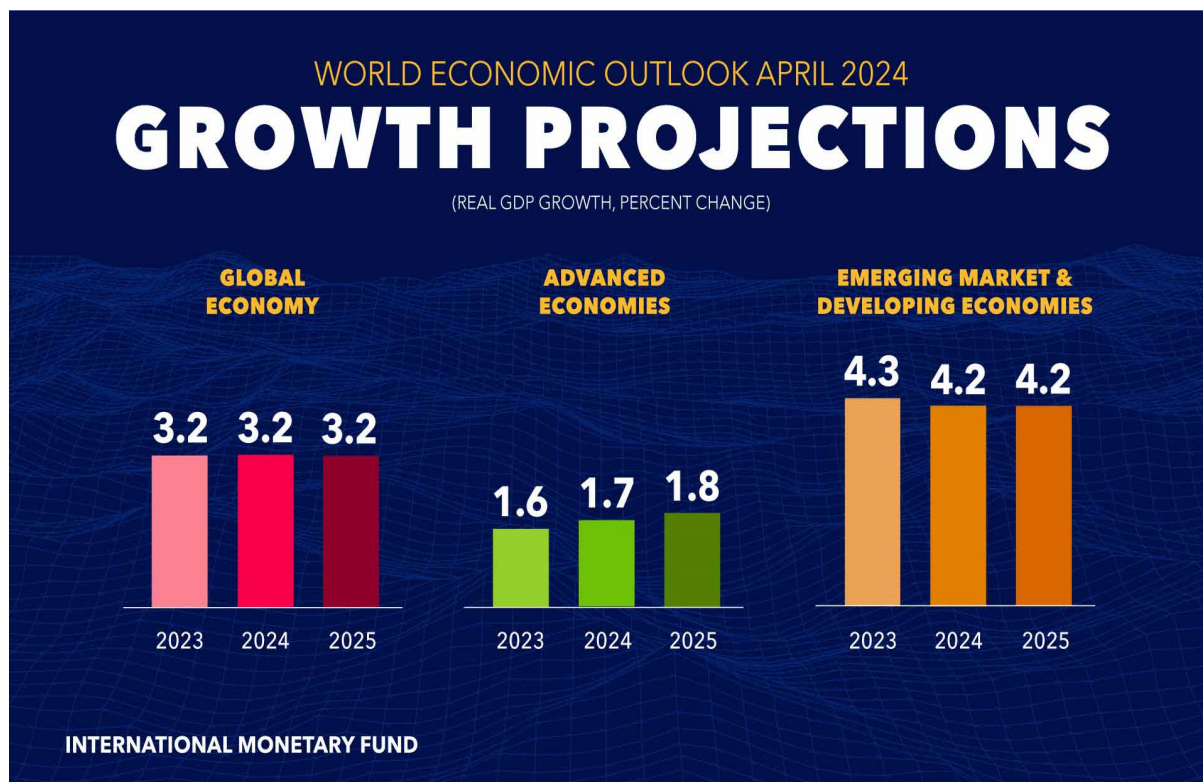
INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information, our company does not take report from any agency about industry overview hence no such report are available in material Documents.

GLOBAL ECONOMY OUTLOOK

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

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



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

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

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

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

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

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

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

Fourth, medium-term growth prospects remain historically weak. Chapter 3 of this report takes an in-depth dive into the different drivers of the slowdown. The main culprit is lower total factor productivity growth. A significant part of the decline comes from increased misallocation of capital and labor within sectors and countries. Facilitating faster and more efficient resource allocation can help boost growth. Much hope rests on artificial intelligence (AI) delivering strong productivity gains in the medium term. It may do so, but the potential for serious disruptions in labor and financial markets is high. Harnessing the potential of AI for all will require that countries improve their digital infrastructure, invest in human capital, and coordinate on global rules of the road. Medium-term growth prospects are also harmed by rising geoeconomic fragmentation and the surge in trade restrictive and industrial policy measures since 2019. Global trade linkages are already changing as a result, with potential losses in efficiency. But the broader damage is to global cooperation and multilateralism.

Finally, huge global investments are needed for a green and climate-resilient future. Cutting emissions is compatible with growth, as is seen in recent decades during which growth has become much less emissions intensive. Nevertheless, emissions are still rising. A lot more needs to be done and done quickly. Green investment has expanded at a healthy pace in advanced economies and China. Cutting harmful fossil fuel subsidies can help create the necessary fiscal room for further green investments. The greatest effort must be made by other emerging market and developing economies, which need to massively increase their green investment growth and reduce their fossil fuel investment. This will require technology transfer by other advanced economies and China, as well as substantial financing, much of it from the private sector, but some of it concessional.

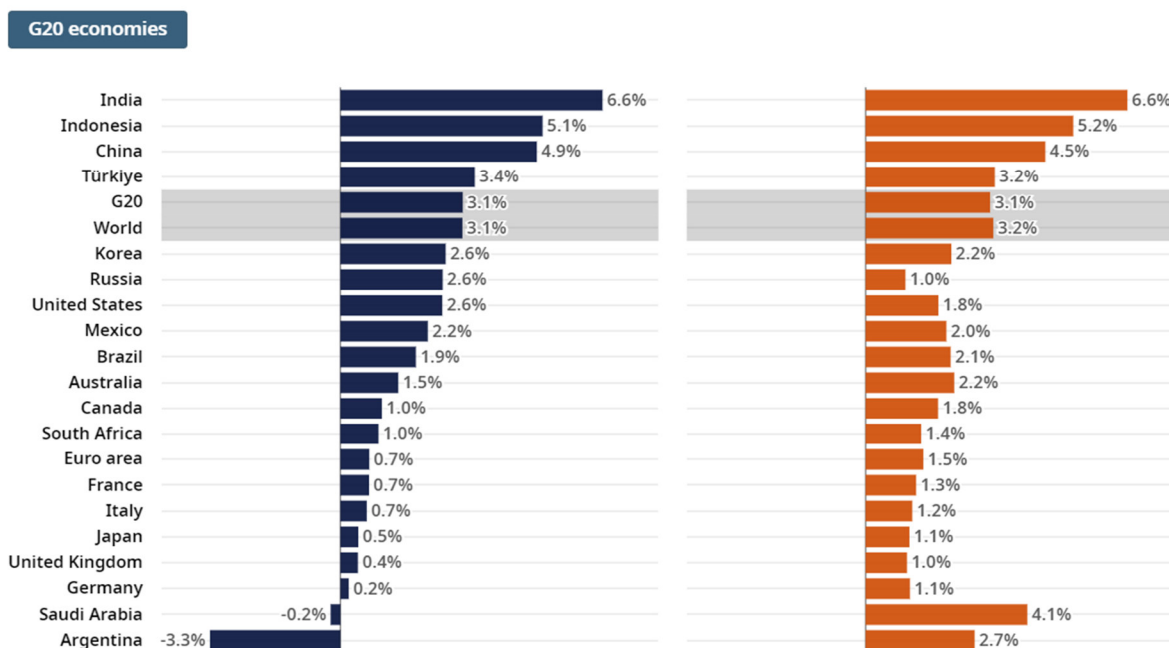
(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>)

Global activity has proved surprisingly resilient:

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

GDP growth projections for 2024 and 2025

%, year-on-year



Source: OECD Economic Outlook, May 2024.

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

GDP growth in the United States is projected to be 2.6% in 2024, before slowing to 1.8% in 2025 as the economy adapts to high borrowing costs and moderating domestic demand. In the euro area, which stagnated in the fourth quarter of 2023, a recovery in real household incomes, tight labour markets and reductions in policy interest rates will help generate a gradual rebound. Euro area GDP growth is projected at 0.7% in 2024 and 1.5% in 2025.

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

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

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

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

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

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

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

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

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

INDIAN ECONOMY OUTLOOK

Introduction

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

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

Indicators) that are performing well, indicating the beginnings of a comeback.

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

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

Market Size

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

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

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

Recent Developments

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

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- As of April 12, 2024, India's foreign exchange reserves stood at US\$ 643.162 billion.
- In 2023, India saw a total of US\$ 49.8 billion in PE-VC investments.
- Merchandise exports in March 2024 stood at US\$ 41.68 billion, with total merchandise exports of US\$ 437.06 billion during the period of April 2023 to March 2024.
- India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.
- In March 2024, the gross Goods and Services Tax (GST) stood at second highest monthly revenue collection at Rs.1.78 lakh crore (US\$ 21.35 billion), of which CGST is Rs. 34,532 crore (US\$ 4.14 billion), SGST is Rs. 43,746 crore (US\$ 5.25 billion).

- Between April 2000–December 2023, cumulative FDI equity inflows to India stood at US\$ 971.52 billion.
- In February 2024, the overall IIP (Index of Industrial Production) stood at 147.2. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 139.6, 144.5 and 187.1, respectively, in February 2024.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.69% in December 2023.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 8.06 billion) in India during January-April 2024.
- The wheat procurement during RMS 2023-24 (till May) was estimated to be 262 lakh metric tonnes (LMT) and the rice procured in KMS 2023-24 was 385 LMT. The combined stock position of wheat and rice in the Central Pool is over 579 LMT (Wheat 312 LMT and Rice 267 LMT).

Government Initiatives

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

- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

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

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

billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).

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

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

GLOBAL RICE INDUSTRY

Rice is one of the three major crops cultivated worldwide, along with wheat and corn. However, rice is the most important crop that is used as a primary food source. In developing countries, the availability of rice is closely tied to the food security and political stability. Feeding more than half of the global population, just 10 countries produce nearly 84% of the global rice requirement. The most important crop to millions of small farmers across the globe, globally over 700 million tons of rice (470 million tons of milled rice) is produced annually and nearly 90% of the production comes from Asia.

The global rice market is projected to register a CAGR of 1.6% over the forecast period.

As a cereal grain, rice is the most widely consumed staple food for most of the global human population, especially in Asia, accounting for nearly 90% of rice production and consumption. Rice is cultivated in more than 120 countries, with China and India accounting for 50% of rice production globally. It is the primary agricultural commodity with the third-highest worldwide production after maize and sugarcane. It is the staple food of more than half of the global population, with the Asian, sub-Saharan African, and South American regions being the largest consumers.

The increasing food and restaurant sector is anticipated to promote market growth in the future. Likewise, continuous global development in rice mill machinery and attractive packaging enhance product demand in emerging economies. The rising demand for specialty rice varieties has increased the trade for long-grain rice, which in turn is driving the market growth. Additionally, constantly changing lifestyles and food habits among consumers are accelerating the fast-food industry market, which is expected to drive significant market growth during the forecast period.

Hence, the dependency on monsoons, the heavy incidence of pests and diseases, and other factors, like shortage of land and labor, are expected to impede the market growth during the forecast period.

Asia-Pacific is the largest rice market. This is attributable to higher per capita consumption, production, and regional population. Most of the rice is grown and consumed in the Asian region, from Japan in the east to Pakistan in the west. Rice is the second-most vital cereal crop, after wheat, in Asia. It is a crop that ensures food security in many developing countries of Southeast Asian as well as East Asia regions. Over recent years, the rice market has witnessed considerable growth due to the growing demand for rice in emerging and developing nations globally.

Rice Market Trends

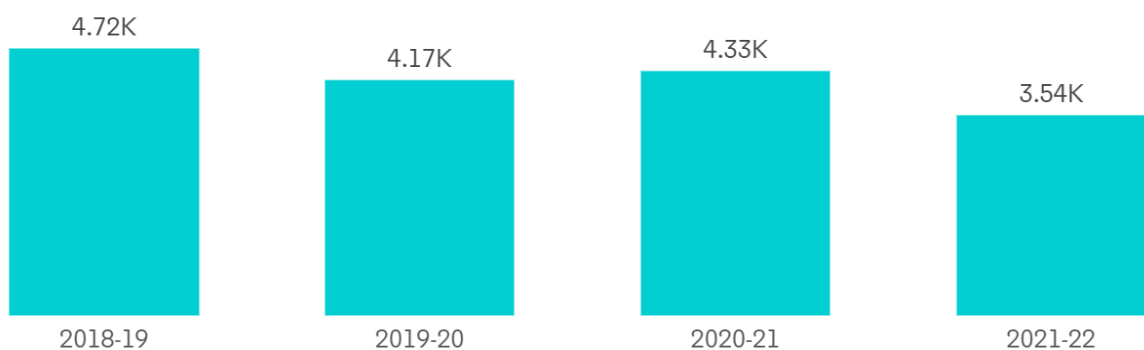
Growing preference for specialty rice varieties leads to increased trade, the demand for specialty rice has been gaining traction globally, bolstered by consumers' growing concerns about health and wellness. Compared with regular milled white rice, specialty rice varieties are rich in vitamins and minerals, aid good health, and are good sources of fiber. Therefore, such varieties are witnessing an immense demand among consumers.

Around the world, Basmati rice is one of the best types of rice. It is known for its slender, sleek, tapering grains with a unique taste, aroma, and grain elongation quality upon cooking. Exports of the premium variety from India have an 85% share in the Basmati export market. The United States imports Asian aromatic rice, such as jasmine and Basmati. India is the top exporter of Basmati rice to the global market. According to the Agricultural and Processed Food Products Export Development Authority (APEDA), the country exported 3,948,161.03 metric tons of Basmati rice to the world for the worth of INR 26,416.49 Crores (USD 3,540.40 Million) during the year 2021-22 and due to the APEDA's active intervention set to take the export of agricultural products to a new height of USD 19.69 billion till April-December 2022-23 and expanded the export basket to over 200 countries. In 2021, Saudi Arabia, Iran, Iraq, the United States, and the United Arab Emirates were the major importers of Basmati rice.

In 2021, China, the Philippines, the Kingdom of Saudi Arabia, the United States, Bangladesh, and Iraq were the major importers of rice globally. China and the Philippines account for 45% of the rice imports at the global level. India exports huge volumes of aromatic and long-grain Basmati rice, which is anticipated to increase with tourism and changes in food patterns. Port handling infrastructure, the value chain development, and exploring new opportunities in countries or markets for rice exports led to a huge spike in rice exports.

In Europe, the demand for specialty and exotic varieties, such as Basmati as well as jasmine rice, is growing exponentially. A significant share of imported rice consists of long-grain Indica rice and aromatic varieties (Basmati and jasmine), which are popular mainly in Northern Europe. The United Kingdom dominates the imports of Basmati rice, mainly from India. Therefore, the demand for special and exotic rice varieties is expected to increase during the coming year.

Rice Market: Export in USD Mill, Basmati Rice, India, 2018-2021



Source: APEDA



Asia-Pacific Dominates the Market

Rice is the staple food of Asia and part of the Pacific. According to the Food and Agriculture Organization, about 90% of the global rice is produced and consumed in Asia. India and China are the prominent producers of rice, with a production of 177.6 million metric ton and 211.4 million metric ton, respectively, in 2020.

Over the ages, China has dominated production and continues to do so. All rice cultivation is highly labor-intensive. Rice farms are mainly located in Central China, accounting for about 49% of Chinese rice production (National Bureau of Statistics of China). Apart from meeting its huge domestic demand, China also exports a significant quantity of rice globally. Major importers of Chinese rice are Ivory Coast, Korea, Egypt, Turkey, and Japan. Rice production will likely remain high during the forecast period, given the high local consumption and global export demands.

Likewise, rice production in India has increased by 3.5 times in the last 60 years. According to the Rice Exporters Association, Indian rice exports touched 20 million ton in 2021, as well as 16 million ton of non-Basmati rice. Rice being vital, no country-enforced restrictions on its import. Furthermore, the Indian government has been helping farmers to take up rice cultivation by providing a minimum support price (MSP). For the 2022-2023 Kharif season, the minimum selling price (MSP) was INR 2040/- per quintal compared to INR 1,868/- per quintal in 2021.

After China and India, Indonesia, Bangladesh, Vietnam, and Thailand were the next largest rice producers. Thus, owing to increasing demand and government initiatives to increase rice production, the market is anticipated to grow during the coming year.

In March 2022, prices of rice exported from Vietnam rose as trade routes to China reopened, with some traders betting on additional demand from buyers looking for alternate sources due to the Russia-Ukraine crisis.

In January 2022, the Tamil Nadu Agricultural University (TNAU) released a new rice variety called 'TRY 5' in India. This is an early-duration variety suited for salt-affected soil.

In October 2021, Organic India, one of India's leading organic food companies, launched new products to its organic portfolio, including organic Basmati rice, red rice, black rice, etc.

(Src: <https://www.mordorintelligence.com/industry-reports/rice-market>)

INDIAN BASMATI RICE INDUSTRY

'Basmati' is the most premium variety of rice, with superior product characteristics. Being geographically indexed to the Himalayan sub-ranges, it can only be cultivated in India and Pakistan, which makes them the sole suppliers in the world. It is grown only once a year, in the kharif cropping cycle, sown in May-June and harvested in September-November. In India, the major Basmati rice-producing states are Punjab, Haryana and Uttar Pradesh, which together account for over 95% of the country's total Basmati rice production. The balance is contributed by Jammu & Kashmir and Uttarakhand. While a majority of the non-Basmati rice produced is consumed domestically (around 90%), a majority of the Basmati rice produced is exported (around 75%).

"Basmati" is long grain aromatic rice grown for many centuries, blessed with characteristics of extra-long slender grains that elongate at least twice their original size with a characteristic soft and fluffy texture upon cooking, delicious taste, superior aroma and distinct flavor, Basmati rice is unique among other aromatic long-grain rice varieties.

Agro-climatic conditions of the specific geographical area, as well as the method of harvesting, processing and aging, attribute these characteristic features to Basmati rice. Owing to its unique characteristics the "scented Pearl" lends a touch of class that can transform even the most ordinary meal into a gourmet's delight.

Varieties:

So far 34 varieties of Basmati rice have been notified under the seeds Act, 1966. These are Basmati 217, Basmati 370, Type 3 (Dehraduni Basmati) Punjab Basmati 1 (Bauni Basmati), Pusa Basmati 1, Kasturi, Haryana Basmati 1, Mahi Sugandha, Taraori Basmati (HBC 19 / Karnal Local), Ranbir Basmati, Basmati 386, Improved Pusa Basmati 1 (Pusa 1460), Pusa Basmati 1121 (After amendment), Vallabh Basmati 22, Pusa Basmati 6 (Pusa 1401), Punjab Basmati 2, Basmati CSR 30 (After amendment), Malviya Basmati Dhan 10-9 (IET 21669), Vallabh Basmati 21 (IET 19493), Pusa Basmati 1509 (IET 21960), Basmati 564, Vallabh Basmati 23, Vallabh Basmati 24, Pusa Basmati 1609, Pant Basmati 1 (IET 21665), Pant Basmati 2 (IET 21953), Punjab Basmati 3, Pusa Basmati 1637, Pusa Basmati 1728, Pusa Basmati 1718, Punjab Basmati 4, Punjab Basmati 5, Haryana Basmati 2 and Pusa Basmati 1692.

India Basmati Rice Market Trends

The growing consumer preferences for long-grain specialty rice variants owing to their superior characteristics in terms of quality, aroma, and flavor are primarily driving the India Basmati rice market. Moreover, the rising consumption of brown Basmati rice due to its low-fat content and high nutritional value is acting as another significant growth-inducing factor. In addition to this, the increasing adoption of Basmati rice in the food and beverage sector for the preparation of various traditional Indian cuisines, such as biryani, desserts, pilafs, etc., is also fueling the market growth.

Furthermore, the escalating export demand for Basmati rice in different parts of the world, especially in the Middle East region, is creating a positive outlook for the market in India. In line with this, the introduction of favorable trade policies and licensing procedures for agricultural exports is propelling the Indian market for Basmati rice. Moreover, the Government of India is also launching several initiatives for boosting domestic production and enhancing the storage capacity of Basmati rice, thereby further bolstering the regional market.

For instance, the Agricultural and Processed Food Products Export Development Authority (APEDA) and Basmati Export Development Foundation (BEDF) have collaborated to sensitize the farmers and assist the state governments in improving Basmati rice cultivation. Besides this, various leading key players are adopting innovative packaging solutions in the form of small-size and affordable packets and zip-lock and flexible pouches for convenient usage, which is also augmenting the product demand. Furthermore, the elevating utilization of advanced technologies and farm management practices for the production and post-harvest handling of Basmati rice is anticipated to drive the India Basmati rice market over the forecast period.

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read “Forward Looking Statements” on page 11 of this Draft Letter of Offer for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company’s strengths and its ability to successfully implement its business strategies may be affected by various factors that have an influence on its operations, or on the industry segment in which our Company operates, which may have been disclosed in “Risk Factors” on page 16. This section should be read in conjunction with such risk factors.

Unless otherwise indicated, industry and market data included in this section has been derived from the external industry sources. This section should be read in conjunction with the “Industry Overview” on page 78 of this Draft Letter of Offer. Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the 12-month period ended March 31 of that year.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information, included in this Draft Letter of Offer on page 116.

OVERVIEW

We are engaged in the business of processing and packaging of fast-moving consumer goods, such as Basmati rice and wheat and marketing and selling of pulses and salt. We are primarily involved in the business of processing and marketing of un-branded Basmati rice in the domestic market. We process and market different grades of Basmati rice of various sizes, flavors and fragrance. We categorize our Basmati rice into three major categories, raw Basmati rice, sella Basmati rice and steam Basmati rice. Due to our longstanding market presence and quality products, we have been able to curate a presence in all our Basmati rice categories. We market and sell raw Basmati rice under the name “Pristino” and “Snowflake”, sella Basmati rice under the name “Mahaba” and “Shahryar” and steam Basmati rice under the name “Jacinth” and “Jasper”. In addition to Basmati rice, our Company has also forayed into procurement, storage, sorting, packaging and distribution of wheat pulses and edible salt through a third party manufacturer. Our Company procures finished pulses and edible salt from third party manufacturer and markets and distributes them. We market and sell our wheat under the name “I♥Wheat”. In addition to the above, our Company in the year 2022 launched a new product under the name “Mishtann RockSalt”, which is one of our organic products.

Our major raw material for processing Basmati rice is raw Basmati rice, and our raw materials for processing of wheat is raw wheat. We have established relationships with our suppliers, who help us procure raw materials in accordance with the terms of the contractual arrangements mutually agreed by our Company with such suppliers. We have procured 2,594.61 MT, 18,629.56 MT, 37,219.51 MT and 62,788.54 MT of raw Basmati rice for three-month period ended June 30, 2024 and for the Financial Years ended on March 31, 2024, March 31, 2023 and March 31, 2022, respectively. We have a warehouse in our manufacturing unit with the ability to store approximately 25,000 MT of raw Basmati rice and 15,000 MT of raw wheat as of March 31, 2024. We also have godowns for storage of 25,000 MT of finished rice and 15,000 MT of finished wheat.

In addition to above, our Company has entered into a memorandum of understanding dated December 27, 2021 with the Government of Gujarat, as part of Investment Promotion Activity for Vibrant Gujarat Summit 2022, to manufacture Grain Based Ethanol at Sabarkantha. The proposed investment in this project shall be of ₹ 2,25,000 lakhs and the project shall commence from 2024. Our Company is awaiting necessary approvals from the Government of Gujarat post receipt of the same, it shall initiate setting-up of a new manufacturing unit for manufacturing grain based ethanol. Furthermore, our Company has incorporated its wholly owned subsidiary, “Grow and Grub Nutrients FZ – LLC” in United Arab Emirates and proposes to import Thai rice and jasmine rice from Thailand and through its Subsidiary and thereby diversify its product portfolio to include Thai rice and jasmine rice. The Company has also incorporated recently, another wholly owned subsidiary, “Grow & More Nutrifooods Pte. Ltd” in Republic of Singapore, where the operations is yet to commence.

We have established a quality assurance and quality control team at our manufacturing unit to ensure the procurement of quality raw materials leading to higher yield on processing. Our quality assurance department ensures that our products meet our customer quality specifications and international certification requirements. Further, owing the efforts of our quality assurance and quality control team, we have received a certificate of registration from AQC Middle East LLC certifying that our food management system is compliant with the requirements of ISO 22000:2018.

We currently operate through our state of art manufacturing facility located in Sabarkantha District of Gujarat. Our manufacturing unit has the production capacity of 45 metric tonnes per hour to process Basmati rice. Our manufacturing facility is also capable of processing wheat, which is utilized as and when the market is buoyant. Our manufacturing unit is fully automated and therefore is “human touch free” facility where raw material is processed using the best in the class machinery and then packed as per the customer and regulatory specifications.

We have an experienced professional management team under the overall stewardship of Hiteshkumar Gaurishankar Patel, our Promoter and Chairman and Managing Director who has an experience of more than a decade in the agriculture and agro-commodity industry. Prior to joining our Company, Hiteshkumar Gaurishankar Patel was a partner in M/s. Ravi Trading Co., which was also engaged in the business of trading rice. He has been associated with our Company since February 24, 2015 and was promoted as the Managing Director of our Company with effect from August 28, 2017. He heads the marketing and administration divisions of our Company and is responsible for its day to day operations. Our Promoter was felicitated as the ‘*Economic Times Business Transformation Icon 2022*’ by the Time Group in recognition of his exceptional work and for being a business transformation leader in the field of fast-moving consumer goods. We also have a team of professionals to manage the core functional areas such as finance, procurement, manufacturing, logistics, sales and marketing, human resources, and information technology.

The market capitalization (*full float*) of our Company as on March 31, 2024 was ₹ 1,80,273.96 lakhs on BSE. The Equity Shares of our Company have not been traded on MSEI for the preceding three years.

Our revenues from operations for the Financial Years ended on March 31, 2024 and March 31, 2023 and March 31, 2022 were ₹ 1,28,537.99 lakhs, 65,038.52 lakhs, ₹ 49,857.92 lakhs, respectively. Our EBITDA for the Financial Years ended on March 31, 2024 and March 31, 2023 and March 31, 2022 were ₹ 35,750.47, ₹ 8,180.59 lakhs and ₹ 5,176.56 lakhs respectively. Our profit after tax for the Financial Years ended on March 31, 2024 and March 31, 2023 and March 31, 2022 were ₹ 33,847.71, ₹ 4,484.50 lakhs, ₹ 2,928.09 lakhs, respectively. For further details, please refer to the section titled “*Financial Information*” on page 116 of this Draft Letter of Offer.

OUR COMPETITIVE STRENGTHS

Professional and Experienced Management team

Our management team has requisite mix of having academic backgrounds business management, commerce, *etc.* Our senior management team is led by Hiteshkumar Gaurishankar Patel, our Promoter, Chairman and Managing Director and Navinchandra Dahyalal Patel, the Whole-time Director and Chief Financial Officer of our Company. Our management team’s collective experience and capabilities enable us to understand and anticipate market trends, manage our business operations and growth, leverage customer relationships and respond to changes in customer preferences. We will continue to leverage on the experience of our management team and their understanding of the industry we operate in, to take advantage of current and future market opportunities. For further details, refer to the chapter titled “*Our Management*” on page 101.

In addition, our management team has considerable experience in the agriculture and agro-commodity industry, with our Promoter having extensive knowledge and over a decade of experience in the agriculture and agro-commodity industry. We believe that our senior management team has extensive experience in the commissioning of and operating manufacturing facilities, finance, sales, business development and strategic planning in the industry. The vision and foresight of our management enables us to explore and seize new opportunities and accordingly position ourselves to introduce new products to capitalize on the growth opportunities in the agro-commodity industry. We believe that the demonstrated ability and expertise of our management team for committed asset investment and use of competitive technology results in growing capacities and rising production levels with better cost management and process efficiency has translated into enhanced quality of our product, increasing profitability and improving margins which gives us a competitive edge.

Focus on Processing and Quality Control

We have a well-established quality control and quality assurance system that spans the procurement, processing and delivery of our products. Prior to procuring the raw materials, we conduct testing of raw Basmati rice and raw wheat on a sample basis and once the sample qualifies our quality checks, only then we place orders for procuring the raw materials. After procurement, the raw materials are checked before loading and unloading into our transportation systems. Upon arrival of the raw materials at our facilities and prior to unloading, our quality control and quality

assurance team checks the quality of our raw materials and post completion of quality checks, the raw materials are unloaded in our manufacturing unit. Further, our quality control and quality assurance team also undertakes an in-process quality check to ensure that the manufacturing process of our products is as per the quality requirements of our customers. We conduct various quality control procedures to ensure that the customer's consignment meets the required quality standards. We have state of the art machinery installed in our manufacturing unit, which ensure that the length and the grade of the rice is in accordance with the standards prescribed and also meets the specific customer requirements. Our machinery also helps us in minimizing the quantity of broken Basmati rice during processing.

Our Company is a quality conscious organization, which believes in manufacturing quality products. Led by engineering graduates, our management team is focused on ensuring minimum defects in our products and quality certifications are only an endorsement of the robust systems and processes developed with years of experience and knowledge. Our products and processes undergo regular quality checks to ensure minimal defects. Further, owing the efforts of our quality assurance and quality control team, we have received a certificate of registration from AQC Middle East LLC certifying that our food management system is compliant with the requirements of ISO 22000:2018.

Assured offtake of products

In order to expand our business and customer base, we have on April 1, 2024, entered into a sale contract with Mishtann Shoppee India Private Limited and Button Industries Private Limited, whereby our Company has agreed to supply various grades of Basmati rice, various types of wheat, iodized salt, rock salt and crystal salt, at a pre-determined minimum order quantity and quality. The price of the aforementioned products are decided as per prevailing market prices. Our aforementioned arrangement with our customers has ensured an assured offtake of our products. With the assured product offtake, our team can focus their attention on improving production and manufacturing efficiencies, ensuring quality products at reasonable prices to cater to our customers.

Established procurement capabilities for raw materials

Our Company has entered into supply agreements with our raw material suppliers for procuring raw material for processing Basmati rice and wheat. We have established relationships with suppliers, which help us procure raw Basmati rice and raw wheat in accordance with the terms of the contractual arrangements mutually agreed by our Company with such agents. We have developed our procurement capabilities through the long-standing association of our Promoter and management with the Basmati rice business, resulting in widespread geographic reach and relationships with procurement agents and farmers.

Through our established network of procurement from our suppliers, we believe we are able to procure quality raw materials at lower prices. In addition, our management team, including our directors interface regularly with the procurement team enabling quick decision-making in the buying process. Our strong relationships with our suppliers help us in development and growth of our Basmati rice business, by enabling us to procure consistent supply of quality raw materials at low prices during procurement season.

Modern Equipment & Technology coupled with process innovations

Our Company operates through its state of art manufacturing facility located in Sabarkantha District of Gujarat. Our manufacturing unit has the production capacity of 45 metric tonnes per hour to process Basmati rice. Our manufacturing facility is also capable of processing wheat, which is utilized as and when the market is buoyant. Our manufacturing unit is fully automated and therefore is "human touch free" facility where raw material is processed using the best in the class machinery and then packed as per the customer and regulatory specifications. Our manufacturing unit is equipped with processing facilities, including polishing, grading and sorting facility for processing of Basmati rice from raw Basmati rice. Our manufacturing unit operates primarily using the machineries supplied by Bühler Holding AG which is a leader in its line of activity. Our manufacturing unit houses sorters, graders, polishers, micro cameras, silos, etc., which support the entire processing cycle of Basmati rice. The value chain is capital intensive and follows highest standards of hygiene and automation. We believe that our Company's processing technology gives us a competitive edge over most of our competitors. Our processing technology offers high operational efficiency resulting in less percentage of broken rice and provides higher yield to our Company. Our technology, while ensuring that labour requirement is minimal, facilitates quick turnaround time to ensure production of a quality product with lower breakages and better sorting and grading of rice. While processing the raw Basmati rice, a substantial portion of the processed rice gets normally broken. We believe that our Company's high level of modernization, trained work force and managerial expertise results in a consistent high level of productivity.

Comprehensive product portfolio

We are engaged in the business of processing and packaging of fast moving consumer goods, such as Basmati rice and wheat and marketing and distribution of pulses and edible salt. We are primarily involved in the business of processing and marketing of un-branded Basmati rice in the domestic market. Due to our longstanding market presence and quality products, we have been able to curate our presence in all our Basmati rice categories. We market and sell raw Basmati rice under the name “*Pristino*” and “*Snowflake*”, sella Basmati rice under the name “*Mahabat*” and “*Shahryar*” and steam Basmati rice under the name “*Jacinth*” and “*Jasper*”. In addition to Basmati rice, our Company also forayed into procurement, storage, sorting, packaging and distribution of wheat, pulses and edible salt. We market and sell our wheat under the name “*I ♥ Wheat*”. In addition to the above, our Company in the year 2022 launched a new product under the name “*Mishtann Rock Salt*”, which is one of our organic products. We believe that our comprehensive product portfolio distinguishes us from our competitors and reduces our dependency on a single product.

OUR BUSINESS STRATEGIES

Expand our existing product portfolio

We have, since our inception, consistently sought to diversify our product portfolio which could cater to customers across segments, sectors, and geographies. In accordance with this, while we seek to continue to strengthen our existing product portfolio, we intend to further diversify into products with prospects for increased growth and profitability. We plan to continue to increase offerings in our current business segments as well as diversify into new products by tapping into segments which in the view of our management have attractive growth prospects. Our Company has recently incorporated its wholly owned subsidiary, “*Grow and Grub Nutrients FZ – LLC*” in United Arab Emirates and proposes to import Thai rice and jasmine rice from Thailand and through its Subsidiary and thereby diversify its product portfolio to include Thai rice and jasmine rice.

Further, we believe that since the requirements of the various sectors that our existing customers are currently servicing are continuously evolving, as a consequence of the same, there will be a continuous demand to evolve our existing products and expand our product portfolio to meet these requirements. We believe that our emphasis on quality of manufacture and timely delivery of our offerings have been a key factor in our ability to attract new customers and to retain our existing customers. We intend to draw on our experience, market position and ability to timely deliver quality products to successfully foray into other sectors as well as to other geographies.

Promote our products in export and domestic markets

We are focused on increasing our presence in the premium segment of our products in the high margin international markets. We market and sell raw Basmati rice under the name “*Pristino*” and “*Snowflake*”, sella Basmati rice under the name “*Mahabat*” and “*Shahryar*” and steam Basmati rice under the name “*Jacinth*” and “*Jasper*”. We market and sell our wheat under the name “*I ♥ Wheat*” and rock salt under the name “*Mishtann Rock Salt*”. We also intend to continue to leverage our products and our long-term relationships and credentials with our customers to further develop and strengthen our presence in the exports market. We believe that by increasing the share of our own products for exports, we can increase the profit margins and the geographic reach of our products. This will help us to maintain and improve our global and local ranking. We believe that our product placement techniques will enhance the recall value in the minds of our customers and will help in increasing demand for our products.

DETAILS OF OUR BUSINESS

We are present across the entire Basmati rice value chain, which includes procurement, storage, sorting, packaging and distribution. Our product portfolio comprises of Basmati rice of various kinds including raw Basmati rice, sella Basmati rice and steam Basmati rice. We are also engaged in procurement and processing of wheat. In addition to Basmati rice, our Company has also forayed into procurement, storage, sorting, packaging and distribution of pulses and edible salt through a third party manufacturer. Our Company procures finished pulses and edible salt from a third party manufacturer and markets and distributes them.

We sell whole grain and broken Basmati rice in unbranded form. Whole grain Basmati rice is rice that is not broken during processing. The bran layer in the whole grain Basmati rice remains intact and is rich in nutrients and natural fiber. Broken Basmati rice is a kind of rice that gets broken during processing and separates from the whole grain Basmati rice.

OUR PRODUCTS

Our product portfolio is as follows:

BASMATI RICE:

SELLA BASMATI RICE - We market and sell Sella Basmati rice under the names “*Ecstasy*”



STEAM BASMATI RICE- We market and sell Steam Basmati rice under the names “*JASPER*” and “*JACINTH*”







WHEAT:





PULSES:



SALT

REGULAR SALT



CRYSTAL SALT



ROCK SALT:



MANUFACTURING PROCESS

Our manufacturing process for processing of Basmati rice and wheat has been provided below:

- *Procurement of Basmati Rice and Wheat from suppliers:* The processing cycle is the same for both Basmati rice and Wheat and the same machinery is capable of processing both these commodities. It is a total “humantouch free” facility where the raw material is processed using best in the class machinery and then packed as per specifications.
- *Removal of Major Impurities:* The products are fed into the destoner machinery manufactured by Bühler Holding AG where the major impurities are removed using mechanized sieves and blowers. These impurities are lighter in weight and need to be removed to void clogging in the manufacturing chain.
- *De-Stoning:* Agro commodities are capable of carrying small sized pebbles and stones along with them. These can cause immense damage to machinery, quality and final value. Accordingly, the de-stoners are pressed into action to remove these unwanted guests. Destoning is also necessary as it is capable of causing harm to human body upon consumption.
- *Polishing:* Many a times, the milled grain may be rougher than stipulated levels. The milling process adopted by the raw material suppliers does not remove the chaff as per requirements, in such cases, the grains have to be polished. The process of polishing can be avoided by having a robust and strict procurement process. We undertake the polishing process based on the requirement of the customers and the grade and quality of the grain which is processed.
- *Preliminary Grading:* This process ensures that the broken bits (mostly the tip of the grain) is separated from the lot to bring out the lower quality at the initial processing stage.
- *Sorting (Color Sorting):* In both Basmati Rice and wheat, the lot is capable of having discolored grains. The lack of uniformity will lead to lower quality and thereby affect the price fetched by the lot. The sorting process ensures that uniformity is present.
- *Weighing:* Weighing of the lot is done at every stage. The quality of the lot is also determined by the amount of impurities in the lot. This stage is very important as it determines the cost of the lot. In case the impurities are beyond the stipulated limits, the lot needs to be rejected.
- *Thickness Grading:* The lots which are rid of the initial impurities are now graded as per the thickness of the grain. Thickness grading also ensures that the lot is capable of delivering a uniform quality upon cooking. Grains which are too thick or too thin can add burden on the quality of the product.
- *Length Grading:* The length of the grain is the most important characteristic of the commodity. This process ensures uniformity of length. This process involves grading of each and every grain using automated processes. Both Basmati Rice and Wheat fetch a market price depending upon the length of the grain.
- *Weighing:* Weighing of the lot is done at every stage. The quality of the lot is also determined by the amount of impurities in the lot. This stage is very important as it determines the cost of the lot.
- *Storage Bins/Silos:* The ready grains are then stored in Silos/ Storage bins which are ready for packing. This is the stage where final quality is checked to ensure that the lot provides the exact requirements as required by the buyer.
- *Packing:* The grains are automatically packed into bags as per the requirement of the customers.

Quality control and tests at each stage at the manufacturing process:

The raw materials procured and the finished products manufactured are checked and inspected by the Quality Division to ensure that the desired quality is achieved. The Quality Division performs the necessary tests and procedures on the raw material and the finished products in our fully equipped in-house testing laboratory. The in-house facility is well equipped to meet all the specifications required by our customers.

PLANT AND MACHINERY

Our manufacturing unit is equipped with various machinery, technology and equipment for the purpose of effectively carrying out our manufacturing process.

REVENUE BREAK UP

The product-wise revenue of our Company and its breakup for the Fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022 is as under:

(₹ in lakhs)

S. No.	Name of the product	Three-month period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
1.	Wheat	-	-	-	-	334.61	0.51	161.67	0.32
2.	Pulses	1,718.40*	4.49	4,026.77*	3.13	-	-	1,297.28	2.60
3.	Lentils*	1,305.83	3.42	3,901.72	3.03	-	-	-	-
4.	Peas & Bean*	10,146.34	26.51	16,091.98	12.49	-	-	-	-
5.	Thai Jasmine Rice*	4,292.40	11.22	7,105.73	5.52	-	-	-	-
6.	Wheat	-	-	-	-	334.61	0.51	161.67	0.32
7.	Pulses	1,718.40	4.49	4,026.77	3.13	-	-	1,297.28	2.60

*These products are sold and marketed by our Subsidiary, GROW AND GRUB NUTRIENTS FZ-LLC.

Our operations have been geographically concentrated in the states of Andhra Pradesh, Gujarat, Karnataka, TamilNadu, West Bengal, Assam, Maharashtra, Telangana and Goa. A break-up of the state-wise revenues earned during the Fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022 has been provided below:

(₹ in lakhs)

S. No.	Name of the State/Region	Three-month period ended June 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
		Amount of revenue earned	(% of total revenue)	Amount of revenue earned	(% of total revenue)	Amount of revenue earned	(% of total revenue)	Amount of revenue earned	(% of total revenue)
1.	Andhra Pradesh	1,050.66	13.08	3,848.63	11.94	8,825.40	13.57	10,382.36	20.82
2.	Gujarat	421.06	5.24	1,657.43	5.14	3,882.60	5.97	1,425.93	2.86
3.	Karnataka	1,207.53	15.03	4,994.50	15.49	9,442.57	14.52	7,799.93	15.64
4.	Kerala	439.07	5.47	2,138.95	6.63	4,013.45	6.17	3,296.07	6.61
5.	Tamil Nadu	1,252.88	15.60	4,726.05	14.66	10,488.63	16.13	6,494.48	13.03
6.	West Bengal	513.66	6.39	2,099.49	6.51	4,713.60	7.25	4,602.40	9.23
7.	Assam	303.46	3.78	1,445.67	4.48	4,228.07	6.50	3,113.98	6.25
8.	Maharashtra	1,154.30	14.37	4,673.47	14.50	7,884.45	12.12	4,930.47	9.89
9.	Telangana	1,207.13	15.03	4,674.15	14.50	9,056.07	13.92	6,483.33	13.00
10.	Goa	483.79	6.02	1,828.49	5.67	2,503.69	3.85	1,312.18	2.63

UTILITIES, INFRASTRUCTURE & LOGISTICS

Power

Our manufacturing unit receives power supply from Uttar Gujarat Vij Company Limited and through general sets installed at our manufacturing unit.

Steam/Fuel

Our Company does not require steam / fuel for its processing and manufacturing process.

Water

Our Company does not require water for its processing and manufacturing process.

Inventory Management

Our finished products are stored on-site at our manufacturing facility. We generally store sufficient stock of finished goods at our production facilities. We produce a quantity of finished products that is determined based on a combination of confirmed and expected orders. Our expected orders have historically been confirmed due to the stable long-standing relationships that we have with our customers.

Our production and inventory levels of our finished products are planned on a periodic basis based on the projected sales volumes and we make periodic adjustments to the production schedule and volumes based on actual orders received. We closely supervise our daily production and aim to maintain suitable inventory levels of raw materials and finished goods at each of our manufacturing facilities. Further, for raw materials, we maintain different inventory levels depending on lead time required to obtain additional supplies.

Logistics

Our manufacturing unit is located in Gujarat we believe offers potential market for our products thus reducing the logistical costs associated with delivery. Our manufacturing unit is located at Sabarkantha District of Gujarat and therefore is near to Ahmedabad enabling easy procurement of raw materials and supply of finished goods to markets. Our manufacturing facility is situated very close to the Delhi-Mumbai National highway, which eases the logistical value chain.

Information Technology

Our Company has sufficient IT infrastructure to generate various MIS reports required for Accounts, Finance control and operational control. The key functions of our IT team include establishing and maintaining enterprise information systems and infrastructure services to support our business requirements and maintaining secure enterprise operations.

Waste Management

The industry in which our Company operates has been classified under the 'green' category by the Ministry of Environment, Forest and Climate Change. Since, our manufacturing facility does not discharge any effluents or waste material, it is not required to install an effluent treatment plant or engage with third party waste management agencies.

Capacity Installed and Capacity Utilized

Set forth is the detail of the installed and utilized capacity of our manufacturing unit as for financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 as mentioned below: -

Particulars	For Period Ended June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
BASMATI RICE				
Installed Capacity (in no. of Tonnes)	2,60,000	2,60,000	2,60,000	2,60,000
Actual Utilized Capacity (in no. of Tonnes)	2,594.61	18,629.56	40,776.73	60,767.85
% Utilization	1.00	7.17	15.68	23.37
WHEAT				
Installed Capacity (in no. of Tonnes)	2,60,000	2,60,000	2,60,000	2,60,000
Actual Utilized Capacity (in no. of Tonnes)	1700.00	0	1,115.38	673.64
% Utilization	0.65	-	0.43	0.26

COLLABORATIONS

We have not entered into technical, marketing or financial collaboration.

CORPORATE SOCIAL RESPONSIBILITY

We consider Corporate Social Responsibility (CSR) as a core part of our business, with an objective of benefiting the society and the community we thrive in. We focus in the areas of education, serving to the orphanage, contributing towards the environment, and providing health facility to the needy. In doing so, we are leaving behind a positive and sustainable footprint, by making difference to the society. The CSR initiatives of the Company, in accordance with the CSR policy adopted in accordance with the Companies Act are basic education, health and sanitation.

MARKETING & ADVERTISING

Our Company has executed a sales contract with Mishtann Shoppee India Private Limited and Button Industries Private Limited, whereby our Company has agreed to supply various grades of Basmati rice, various types of wheat, iodized salt, rock salt and crystal salt, at a pre-determined minimum order quantity and quality. The aforementioned customers contribute towards majority of our business operations and therefore our Company has not invested significant amount towards marketing strategy for its products.

HUMAN RESOURCES

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As at June 30, 2024, we have employees including our directors and other staff, who look after our business operations, factory management administrative, secretarial, marketing and accounting functions in accordance with their respective designated goals.

Sr. No	Description	No. of Employees
1.	Top Management Personnel including Key Management Personnel	3
2.	Senior Management Personnel	0
3.	Accountants and Assistants	2
4.	Plant head	1
5.	Quality control and quality assurance	1
	Total	7

Our manufacturing unit is fully-automated and therefore requires very less manual intervention. Our Company also engages labor on job-work and contractual basis, based on our requirement.

INSURANCE

Details of the insurance policies availed by our Company have been provided below:


Sr. No.	Nature of the policy	Date of issuance/renewal	Date of expiry	Name of the entity issuing the insurance	Details of the assets insured
1	SBI General Saral Bharat Laghu Udyam Suraksha	November 25, 2023	November 24, 2024	SBI General Insurance Company Limited	Building, plant and machinery and stocks lying at our manufacturing unit.
2	Burglary Insurance	November 25, 2023	November 24, 2024	SBI General Insurance Company Limited	Stock lying at our manufacturing unit
3	SBI General Saral Bharat Laghu Udyam Suraksha	November 25, 2023	November 24, 2024	SBI General Insurance Company Limited	Building including plinth, basement and additional structures
4	Group Health Insurance	October 14, 2023	October 13, 2024	ICICI Lombard	Medical insurance of employees and their dependents

COMPETITION


Our industry faces competition from organized as well as unorganized players in the domestic market as well as in the international market. We have a number of competitors who manufacture products, which are similar to us. Even with a diversified product portfolio, quality approach and modern technology we may have to face competitive pressures. We believe the principal elements of competition in our industry are price, quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as an integrated manufacturer and through our industry expertise in processing of our products.

INTELLECTUAL PROPERTY RIGHTS

Our Company has obtained the following registrations under the Trade Marks Act, 1999 as of date of this Draft Letter of Offer:

Sr. No.	Particulars of the mark	Trade Mark No.	Class	Date of registration
1.		2899251	35	May 5, 2015
2.		2899248	29	May 5, 2015
3.		2899250	32	May 5, 2015
4.		2899249	30	May 5, 2015

Our Company has obtained the following registration under the Copyright Act 1957 as of date of this Draft Letter of Offer:

Sr. No.	Particulars of the mark	Registration number	Date of receipt
1.		A-118648/2017	September 27, 2016

LAND AND PROPERTY

Our Company does not have any freehold properties. The details of the properties taken on lease basis and leave and license basis by our Company has been provided below:

Sr. no.	Details of the Deed/Agreement	Particulars of the property	Consideration/ License Fee/Rent	Tenure/ Term	Usage
1.	Lease Deed dated May 10, 2018 executed between Hiteshkumar Gaurishankar Patel and Navinchandra Dahyalal Patel (the "Lessors") and our Company (the "Lessee")	Block/Survey No. 252, situated at Kabodari, Talod, Sabarkantha - 383 305, Gujarat, India	₹ 50,000 per annum	A period of ninety-nine (99) years with effect from May 10, 2018	Manufacturing unit, warehouse and godown
2.	Rent Agreement dated October 10, 2022 executed between Swati B Shah and the Tenant- Hiteshkumar G Patel (M.D of our company)^	B-905 Empire Business Hub, Opp Shakti Farm, Science City Road, Sola, Ahmedabad- 380060, Gujarat, India	₹ 55,000/ Month subject to increase @ 5% every year	3 (Three) Year	Registered Office.

[^]The rent agreement for the Registered Office of our Company has been executed between Swati B Shah and Hiteshkumar Gaurishankar Patel. Our Promoter and Managing Director has issued a no-objection certificate dated July 27, 2023 confirming that the premises leased by him can be used as the Registered Office by our Company.

OUR MANAGEMENT

Our Board of Directors

Our Articles of Association require us to have not less than three (03) and not more than fifteen (15) Directors. As on date of this Draft Letter of Offer, we have six (06) Directors on our Board, which includes, one (01) Managing Director, one (01) Whole-time Director, and four (04) Independent Directors, one of whom is also the woman director of our Company.

Set forth below are details regarding our Board as on the date of this Draft Letter of Offer:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<p>Hiteshkumar Gaurishankar Patel</p> <p>DIN: 05340865</p> <p>Date of Birth: June 4, 1985</p> <p>Designation: Chairman and Managing Director</p> <p>Address: Opposite Prathamik Shala, Narsinhpura, Kukadiya, Idar, Sabarkantha, - 383 410, Gujarat, India.</p> <p>Occupation: Business</p> <p>Term: For a period of five (05) years commencing from September 24, 2020 till September 23, 2025</p> <p>Nationality: Indian</p>	39	<ul style="list-style-type: none"> i. Wilshire Nutrifooods Limited; ii. Celtis Commodities Limited; iii. Appleton Cereals Limited; iv. Acoustic Eco Foods Limited; v. Mishtann Agrifooods Private Limited.
<p>Navinchandra Dahyalal Patel</p> <p>DIN: 05340874</p> <p>Date of Birth: June 1, 1967</p> <p>Designation: Whole-time Director and Chief Financial Officer</p> <p>Address: Deri Wadi Fali, Narsinhpura, Kukadiya, Idar, Sabarkantha - 383 410, Gujarat, India.</p> <p>Occupation: Business</p> <p>Term: For a period of five (05) years commencing from August 28, 2022 till August 27, 2027, subject to approval of Shareholders in the AGM</p> <p>Nationality: Indian</p>	57	<ul style="list-style-type: none"> i. Appleton Cereals Limited; ii. Acoustic Eco Foods Limited; iii. Mishtann Agrifooods Private Limited.
<p>Rainy Ramesh Singhi</p> <p>DIN: 09844099</p> <p>Date of Birth: 20/07/1991</p> <p>Designation: Independent Director</p>	33	<ul style="list-style-type: none"> i. Groarc Industries India Limited; ii. Integrated Hitech Limited

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<p>Address: 39, Milan Park, Sandesh Press Road, Bodakdev, Ahmedabad- 380015, Gujarat, India.</p> <p>Occupation: Professional</p> <p>Term: For a period of five (05) years commencing from May 16, 2024 till May 15, 2029</p> <p>Nationality: Indian</p>		
<p>Bhumi Jayantkumar Gor</p> <p>DIN: 08529661</p> <p>Date of Birth: July 10, 1987</p> <p>Designation: Independent Director</p> <p>Address: 6/32, Sarkari Vashahat, Bodak Dev, Government Colony, Near Door Darshan Kendra, Bodak Dev, Ahmedabad – 380 054, Gujarat, India.</p> <p>Occupation: Business</p> <p>Term: For a period of five (05) years commencing from June 29, 2020 till June 28, 2025</p> <p>Nationality: Indian</p>	37	Nil
<p>Nihar Gaurang Sheth</p> <p>DIN: 10308024</p> <p>Date of Birth: 08/01/1993</p> <p>Designation: Independent Director</p> <p>Address: A/2, Monica Apartment, Nr Shreyas Rly Crossing, Paldi, Ahmedabad- 380007, Gujarat, India.</p> <p>Occupation: Professional</p> <p>Term: For a period of five (05) years commencing from May 16, 2024 till May 15, 2029</p> <p>Nationality: Indian</p>	31	Nil
<p>Ashish Agarwal</p> <p>DIN: 06904914</p> <p>Date of Birth: July 4, 1989</p> <p>Designation: Independent Director</p> <p>Address: 40, Ganges Shree Apartment, Dharam Das Kundu Lane, Block A, 3rd floor, Shibpur, Howrah – 711 102, West Bengal, India.</p>	35	<p><i>Companies:</i></p> <ul style="list-style-type: none"> i. Premier Bars Limited; ii. Dhyaani Tile and Marblez Limited; iii. Adjia Technologies Limited; and iv. Roopyaa Finbizz Limited. <p><i>LLP:</i></p> <ul style="list-style-type: none"> i. Durakart Dealtrade LLP; and ii. Bhawtarini Vanijya LLP.

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<p>Occupation: Professional</p> <p>Term: For a period of five (05) years commencing from June 28, 2021 till June 28, 2026</p> <p>Nationality: Indian</p>		

Brief Biographies of our Directors

Hiteshkumar Gaurishankar Patel, aged 39 years, is the Promoter of our Company and is also the Chairman and Managing Director of our Company. He holds a bachelor's degree in business administration from Hemchandracharya North Gujarat University. He has an experience of more than a decade in the agriculture and agro-commodity industry. Prior to joining our Company, Hiteshkumar Gaurishankar Patel was a partner in M/s. Ravi Trading Co., which was also engaged in the business of trading rice. He was felicitated as the 'Economic Times Business Transformation Icon 2022' by the Time Group in recognition of his exceptional work and for being a business transformation leader in the field of fast moving consumer goods. He has been associated with our Company since February 24, 2015 and was promoted as the Managing Director of our Company with effect from August 28, 2017. He heads the marketing and administration divisions of our Company and is responsible for its day to day operations.

Navinchandra Dahyalal Patel, aged, 57 years, is the Whole-time Director and Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from Hemchandracharya North Gujarat University. Prior to joining our Company, Navinchandra Dahyalal Patel was a partner in M/s. Ravi Trading Co., which was also engaged in the business of trading rice. He has been associated with our Company since March 10, 2015 and was promoted as the Whole-time Director with effect from August 28, 2017. He was appointed as the Chief Financial Officer of our Company with effect from March 25, 2019. He heads the finance division of our Company and is also responsible for overseeing procurement and operations of our manufacturing unit and has an experience of more than a decade in the agriculture and agro-commodity industry.

Rainy Ramesh Singhi, aged, 33 years, is an Independent Director of our Company. She has been associated with our Company since May 16, 2024. She is a post graduate in commerce and also pursued professional course of Company Secretary from the Institute of Company Secretaries of India. She is having experience of more than four years in digital marketing.

Bhumi Jayantkumar Gor, aged, 36 years, is an Independent of our Company. She has attended the Mahatma Gandhi University to pursue a bachelor's degree in commerce. She is the proprietor of M/s. Skill Consultancy, a techno-legal consultancy and has an experience of four years in the area of industrial compliance advisory. She has been associated with our Company since June 29, 2020.

Nihar Gaurang Sheth, aged, 31 years, is an Independent Director of our Company. He has been associated with our Company since May 16, 2024. He is a post graduate in commerce and a fellow member of Institute of Company Secretaries of India. He is working as a Company Secretary Consultant with experience of more than eight years. He is having vast knowledge of Corporate Laws.

Ashish Agarwal, aged 35 years, is an Independent Director of our Company. He holds a bachelor's degree in commerce from Calcutta University. He is currently associated with Rupa & Company Limited, Kolkata in the capacity of an assistant manager in export and accounts. He also holds directorship on the board of Premier Bars Limited, Dhyaani Tile and Marblez Limited, Adjia Technologies Limited and Roopyaa Finbizz Limited. He has an experience in the areas of finance, internal control, risk assessment and risk management, accounting and auditing standards, company law matters and taxation. He has been associated with our Company since June 28, 2021.

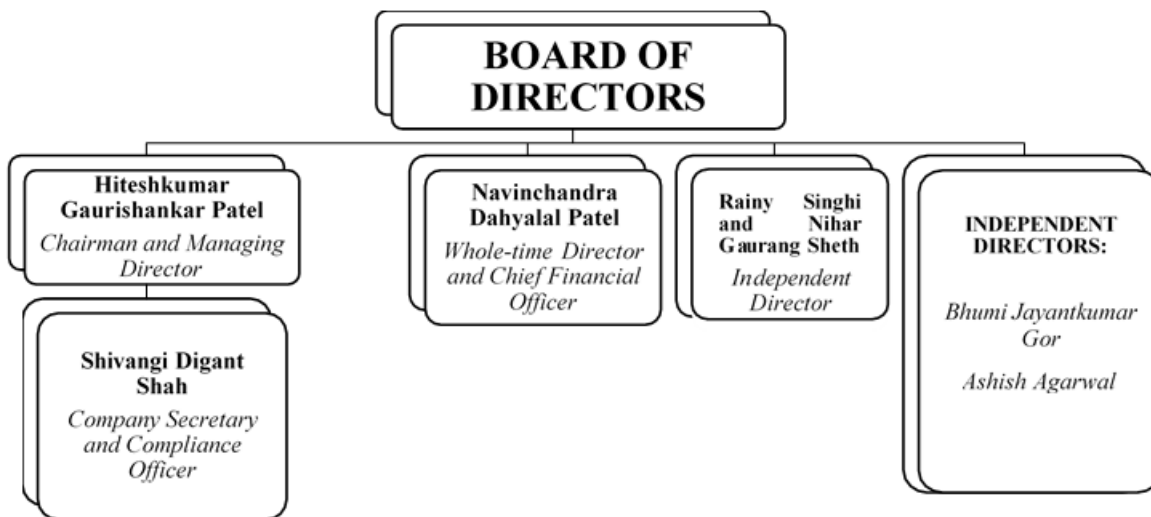
Confirmations

1. None of our Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.

2. Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.

Management Organization Structure

Set forth is the organization structure of our Company:



Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI (ICDR) Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- Audit Committee;
- Stakeholders' Relationship Committee;
- Nomination and Remuneration Committee;
- Risk Management Committee; and
- Corporate Social Responsibility Committee.

Details of each of these committees are as follows:

Audit Committee

Our Audit Committee was last reconstituted by our Board of Directors in their meeting held on May 16, 2024 with the following members forming a part of the said Committee:

Sr. No.	Name of Member	Designation
1.	Bhumi Jayantkumar Gor	Chairman
2.	Ashish Agarwal	Member
3.	Nihar Sheth	Member

The Company Secretary acts as the secretary of the Audit Committee.

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Audit Committee of our Company include:

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- (1) to investigate any activity within its terms of reference;
- (2) to seek information from any employee;
- (3) to obtain outside legal or other professional advice;
- (4) to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- (5) such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

Role of Audit Committee

The role of the Audit Committee shall include the following:

- (1) oversight of financial reporting process and the disclosure of financial information relating to Mishtann Foods Limited (the “**Company**”) to ensure that the financial statements are correct, sufficient and credible;
- (2) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) formulation of a policy on related party transactions, which shall include materiality of related party transactions;
- (5) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- (6) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the director’s responsibility statement to be included in the Board’s report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Modified opinion(s) in the draft audit report.
- (7) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- (8) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the Issue document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board of directors of the Company to take up steps in this matter;
- (9) reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;

- (10) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

- (11) scrutiny of inter-corporate loans and investments;
- (12) valuation of undertakings or assets of the Company, wherever it is necessary;
- (13) evaluation of internal financial controls and risk management systems;
- (14) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (15) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (16) discussion with internal auditors of any significant findings and follow up there on;
- (17) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- (18) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (19) recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (20) monitoring the end use of funds raised through public offers and related matters;
- (21) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (22) reviewing the functioning of the whistle blower mechanism;
- (23) monitoring the end use of funds raised through public offers and related matters;
- (24) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- (25) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (26) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 1,00,00,00,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;
- (27) To formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time;
- (28) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and

- (29) carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations, Companies Act, 2013, uniform listing agreements and/or any other applicable law, as and when amended from time to time.

The Audit Committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. management letters / letters of internal control weaknesses issued by the statutory auditors;
3. internal audit reports relating to internal control weaknesses;
4. the appointment, removal and terms of remuneration of the chief internal auditor;
5. statement of deviations in terms of the SEBI Listing Regulations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations; and
 - b. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.
6. review the financial statements, in particular, the investments made by any unlisted subsidiary;
7. such information as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Company Secretary of our Company shall serve as the secretary of the Audit Committee.

The Audit Committee is required to meet at least four times in a year under Regulation 18(2)(a) of the SEBI Listing Regulations. The quorum for a meeting of the Audit Committee shall be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

Stakeholders Relationship Committee

Our Stakeholders Relationship Committee was last reconstituted on May 16, 2024. The members of the said Committee are as follows:

Sr. No.	Name of Member	Designation
1.	Bhumi Jayantkumar Gor	Chairman
2.	Ashish Agarwal	Member
3.	Nihar Sheth	Member

The Company Secretary acts as the secretary of the Stakeholders Relationship Committee.

The scope and function of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders Relationship Committee of our Company include:

- (1) resolving the grievances of the security holders of the listed entity including complaints related to transfer of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of annual report or balance sheet, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
- (2) review of measures taken for effective exercise of voting rights by shareholders;
- (3) investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities
- (4) giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and re-materialization of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time
- (5) review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;

- (6) review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- (7) to approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;
- (8) to approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, dematerialization etc. of shares, debentures and other securities;
- (9) to monitor and expedite the status and process of dematerialization and dematerialization of shares, debentures and other securities of the Company;
- (10) carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority; and
- (11) such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Stakeholders' Relationship Committee is required to meet at least once in a year under Regulation 20(3A) of the SEBI Listing Regulations.

Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was last reconstituted by our Board of Directors in their meeting held on May 16, 2024 with the following members:

Sr. No.	Name of Member	Designation
1.	Bhumi Jayantkumar Gor	Chairman
2.	Ashish Agarwal	Member
3.	Nihar Sheth	Member

The Company Secretary acts as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**").

the Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivated directors of the quality required to run our Company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.
- (2) for every appointment of an independent director, evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparing a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may: (a) use the services of an external agencies, if required; (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and (c) consider the time commitments of the candidates.

- (3) formulation of criteria for evaluation of independent directors and the Board;
- (4) devising a policy on Board diversity;
- (5) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);
- (6) analyzing, monitoring and reviewing various human resource and compensation matters;
- (7) deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (8) determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (9) recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;
- (10) carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;
- (11) reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (12) perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if applicable;
- (a) to administer the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") including the following:
 - i. determining the eligibility of employees to participate under the ESOP Scheme;
 - ii. determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
 - iii. date of grant;
 - iv. determining the exercise price of the option under the ESOP Scheme;
 - v. the conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
 - vi. the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
 - vii. the specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
 - viii. the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - ix. re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
 - x. the grant, vest and exercise of option in case of employees who are on long leave;
 - xi. allow exercise of unvested options on such terms and conditions as it may deem fit;
 - xii. the procedure for cashless exercise of options;
 - xiii. forfeiture/ cancellation of options granted;
 - xiv. formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
 - the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
 - for this purpose, follow global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
 - the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.

- (13) construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme.
- (14) frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
- (15) perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.
- (16) to consider any other matters as may be requested by the Board; and
- (17) to make available its terms of reference and review annually those terms of reference and its own effectiveness and recommend any necessary changes to the Board.
- (18) the committee is authorized by the Board to:
 - (a) investigate any activity within its terms of reference;
 - (b) seek any information from any employee of the Company or any associate or subsidiary, joint venture Company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Committee; and
 - (c) call any director or other employee to be present at a meeting of the Committee as and when required.
- (19) if the Committee considers it necessary so to do it is authorized to obtain appropriate external advice including but not limited to legal and professional advice to assist it in the performance of its duties and to secure the services of outsiders with relevant experience and expertise and to invite those persons to attend at meetings of the Committee. The cost of obtaining any advice or services shall be paid by the Company within the limits as authorized by the Board.

The Nomination, Remuneration and Compensation Committee is required to meet at least once in a year under Regulation 19(3A) of the SEBI Listing Regulations.

The quorum for a meeting of the Nomination, Remuneration and Compensation shall be two members or one third of the members of the committee, whichever is greater, including at least one independent director.

Risk Management Committee

Our Risk Management Committee was last reconstituted by our Board of Directors in their meeting held on May 16, 2024 with the following members:

Sr. No.	Name of Member	Designation
1.	Hiteshkumar Gaurishankar Patel	Chairman
2.	Bhumi Jayantkumar Gor	Member
3.	Nihar Sheth	Member

The Company Secretary acts as the secretary of the Risk Management Committee. The terms of reference of the

Risk Management Committee include the following:

- (i) To formulate a detailed risk management policy which shall include:
 - framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, Environmental, Social and Governance (ESG) related risks), information, cyber security risks or any other risk as may be determined;

- Measures for risk mitigation including systems and processes for internal control of identified risks; and
 - Business continuity plan.
- (ii) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
 - (iii) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
 - (iv) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity
 - (v) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
 - (vi) The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee;
 - (vii) To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
 - (viii) Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
 - (ix) Framing, implementing, reviewing and monitoring the risk management plan for the Company and such other functions, including cyber security, as may be delegated by the Board; and
 - (x) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee.

The Risk Management Committee is required to meet at least twice in a year under Regulation 21(3A) of the SEBI Listing Regulations.

The quorum for a meeting of the Risk Management Committee shall be two members or one third of the members of the committee, whichever is higher, including at least one member of the Board in attendance.

Corporate Social Responsibility Committee

Our Corporate Social Responsibility Committee was constituted on May 16, 2024 with the following members forming a part of the said Committee:

Sr. No.	Name of Member	Designation
1.	Bhumi Jayantkumar Gor	Chairman
2.	Ashish Agarwal	Member
3.	Rainy Signhi	Member

The Company Secretary acts as the secretary of the Corporate Social Responsibility Committee. The terms of reference of the Corporate Social Responsibility Committee include the following:

- (a) formulate and recommend to the Board, a “Corporate Social Responsibility Policy” which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;
- (b) identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (c) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;
- (d) delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (e) review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- (f) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time;

- (g) The Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:
- (i) the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
 - (ii) the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act;
 - (iii) the modalities of utilization of funds and implementation schedules for the projects or programmes;
 - (iv) monitoring and reporting mechanism for the projects or programmes; and
 - (v) details of need and impact assessment, if any, for the projects undertaken by the Company;
- (h) exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.

Additionally, our Company has constituted various operational committees such as the Rights Issue Committee.

Our Key Managerial Personnel and Senior Management

In addition to our Chairman and Managing Director and Whole-time Director and Chief Financial Officer, whose details have been provided under paragraph above titled '*Brief Profile of our Directors*', set forth below are the details of our Key Managerial Personnel as on the date of filing of this Letter of Offer:

Shivangi Digant Shah, aged 29 years, is the Company Secretary and Compliance Officer of our Company. She has attended Gujarat University to pursue the degree course is master's in business administration. She is an associate member of the Institute of Company Secretaries of India. She was previously associated with Prime Customer Services Limited in the capacity of a company secretary and compliance officer and holds an experience of over six years in the secretarial and compliance sector. She is responsible for handling secretarial matters of our Company and has been associated with our Company since December 3, 2021.

All our Key Managerial Personnel are permanent employees of our Company.

None of our Key Managerial Personnel are entitled to receive any termination or retirement benefits.

Our Key Managerial Personnel is not permanent employees of our Subsidiary.

Relationship of Key Managerial Personnel with our Key Managerial Personnel

None of the Key Managerial Personnel are related to each other.

OUR PROMOTER

Our Promoter is Hiteshkumar Gaurishankar Patel. As on date of this Draft Letter of Offer, our Promoter holds, 46,85,71,027 Equity Shares, constituting 44.09% of our issued, subscribed and paid-up equity share capital, respectively.

Our Company confirms that the permanent account number, bank account number and passport number of our Promoter shall be submitted to the Stock Exchanges at the time of filing this Draft Letter of Offer.

For details of the educational qualifications, experience, other directorships, positions / posts held by our Promoter, please see the chapter titled "*Our Management*" on page 101 of this Draft Letter of Offer.

Confirmations

1. Our Promoter has not been declared as wilful defaulters or fraudulent borrower by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.
2. Our Promoter has not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
3. Our Promoter has not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoter is not and has never been promoter, director or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
4. Except as stated in the chapter titled "*Outstanding Litigation and Material Developments*" on page 135, there is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoter.
5. As on date of this Draft letter of Offer, except our Promoter, none of the members of our Promoter Group, hold Equity Shares in our Company.

RELATED PARTY TRANSACTIONS

For details regarding our related party transactions for the Financial Years ended 2024, 2023 and 2022, see “*Financial Statements – Restated Financial Statements – Notes to Restated Financial Statements – Note 40: Related party disclosures*” on page 116 of this Draft Letter of Offer.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to, net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. Our Company has adopted a dividend distribution policy under SEBI Listing Regulations to establish the parameters to be considered by the Board of the Company before declaring or recommending dividend.

Dividends paid on Equity Shares:

The dividends declared by the Company on the Equity Shares in each of the Financial Years ending 2022, 2023 and 2024 and the filing of the DLOF, as per our Restated Financial Statements is given below:

Particulars	Dividends declared		
	For the year ended March31, 2022	For the year ended March31, 2023	For the year ended March 31, 2024
Face value pershare (in ₹)	1.00	1.00	1.00
Amount of Dividend (in ₹ lakhs)	30.00	20.00	10.63
Dividend pershare (in ₹)	0.005/-	0.002/-	0.001/-
Rate of dividend (%)	0.5%	0.2%	0.1%
Dividend Tax (%)	-	-	-
Mode of paymentof dividend	NEFT/RTGS/DD	NEFT/RTGS/DD	NEFT/RTGS/DD

The amount paid as dividends in the past is not necessarily indicative of our dividend policy or dividend amount, if any, in the future and there is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see “*Risk Factor No. 55 - Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows*” on page 16 of this Draft Letter of Offer.

SECTION V – FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

S. No.	Details	Page Number
1.	Limited reviewed report dated July 13, 2024 on the unaudited consolidated financial results for the financial statements for the three-month period ended June 30, 2024.	117
2.	Restated Financial Statements as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022.	120
3.	Accounting Ratios	161
4.	Statement of Capitalization	163



Independent Auditor's Limited Review Report on Unaudited Consolidated Financial Results for the Quarter ended 30th June, 2024 of Mishtann Foods Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To
Board of Directors
Mishtann Foods Limited (CIN : L15400GJ1981PLC004170)

We have reviewed the accompanying statement of Unaudited Consolidated Financial Results of Mishtann Foods Limited ('the parent) and Grow and Grub Nutrients FZ-LLC ('the wholly-owned subsidiary') for the **Quarter ended June 30, 2024** being submitted by the Parent pursuant to the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This statement is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement 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.

We also performed procedures in accordance with the Circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

The Company has incorporated a Wholly Owned Subsidiary Company named "GROW AND MORE NUTRIFOODS PTE. LTD.", in Singapore, on December 22, 2023. The management has informed us that there were no business activity and no bank account opened till date.

The Statement includes the results of Grow and Grub Nutrients FZ-LLC, the wholly owned subsidiaries of Parent Company.

Based on our review conducted and procedures performed as stated 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 accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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 except share capital raise Rs.3,32,12,903/- plus share premium Rs. 46,49,80,643/- through right issue.

We, as Statutory Auditor, carried out review of parent and did not review the interim financial statements/financial information/financial results of Grow and Grub Nutrients FZ-LLC included in the Consolidated Unaudited Financial Results, whose interim financial statements/financial information/financial results reflect total Revenue of Rs.26029.94 Lakhs for the Quarter ended 30th June, 2024 respectively, total net profit after tax of Rs. 7004.54 Lakhs and total comprehensive profit of Rs. 7004.54 Lakhs for the Quarter ended 30th June, 2024 respectively, as considered in the Consolidated Financial Results. These interim financial statements/financial information/financial results of Grow and Grub Nutrients FZ-LLC included in consolidated financial statements that have not been reviewed by their auditor and have been approved and furnished to us by the management, and our conclusion on the statements in so far as it relates to the amount and disclosures in respect of the said subsidiary is based solely on the information furnished by the management and the procedures performed by us as stated in paragraph 4 above.

Our Conclusion is not modified in respect of the above matters.

For M/S PANCHAL S K & ASSOCIATES
Chartered Accountants

FRN.- 145989W


(CA. Swati Panchal)

M. No.149279

UDIN: 24149279BKFFX07882

Date: 13 July, 2024

Place: Ahmedabad

Consolidated Unaudited financial results by company

PART I	(Rs. in Lakhs)					
Statement of Consolidated Unaudited Results for the Quarter and Three Months Ended 30/06/2024						
	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Previous year ended
		(30/06/2024)	(31/03/2024)	(30/06/2023)	(30/06/2024)	(31/03/2024)
	(Refer Notes Below)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from Operation	38,266.58	33,757.81	29,394.49	38,266.58	128808.55
	Other income	1.33	4.83	0.83	1.33	5.67
	Total Revenue (I + II)	38,267.91	33,762.64	29,395.32	38,267.91	1,28,814.22
2	Expenses					
	(a) Cost of materials consumed	26,430.81	19,206.79	18,198.18	26,430.81	74543.14
	(b) Purchase of stock-in-trade	0.00	0.00	0.00	0.00	0.00
	© Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.00	0.00	0.00	0.00	0.00
	(d) Employee benefits expense	73.74	87.40	86.31	73.74	342.66
	(e) Finance Cost	56.66	88.12	132.52	56.66	445.64
	(f) Depreciation and amortisation expense	13.84	16.90	16.95	13.84	68.12
	(g) Other expenses	4,495.08	4,788.16	3,834.97	4,495.08	18016.39
	Total expenses	31,070.13	24,187.38	22,268.93	31,070.13	93,415.95
3	Profit / (Loss) before exceptional and tax	7,197.78	9,575.27	7,126.39	7,197.78	35,398.27
4	Exceptional items	0.00	0.00	0.00	0.00	0.00
5	Profit / (Loss) before tax	7,197.78	9,575.27	7,126.39	7,197.78	35,398.27
6	Tax expense					
	Current Tax - Provision for taxation	67.51	157.00	235.00	67.51	795.34
	Deferred Tax	0.00	0.00	0.00	0.00	0.00
7	Net Profit / (Loss) for the period	7,130.27	9,418.27	6,891.39	7,130.27	34,602.93
8	Other Comprehensive Income/(Loss) (net of tax) (Refer Not No. 5)	0.00	0.00	0.00	0.00	0.00
9	Total Comprehensive Income/(Loss) for the period	7,130.27	9,418.27	6,891.39	7,130.27	34,602.93
10	Paid up Equity Share Capital (Face value of Re. 1/- each)	10,650.85	10,318.69	10,000.00	10,650.85	10,318.69
11	Other Equity	0.00	0.00	0.00	0.00	44757.84
12	Earnings per equity share:					
	(1) Basic	0.67	0.91	0.69	0.67	3.35
	(2) Diluted	0.67	0.91	0.69	0.67	3.35

Notes:

1. The above Consolidated Financial Results were reviewed by Audit Committee and approved by the Board of Directors at its meeting held on July 13, 2024. The statutory auditor have carried out limited review of these Consolidated Financial Results and have issued an unmodified report on these results.
2. The Company has only single Reportable Business Segment in terms of requirements of Ind AS 108
3. Previous quarter's figures have been re-grouped / re-arranged wherever necessary.
4. These unaudited consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
5. The Parent Company has received listing approval of 3,32,12,903 Equity Shares issued pursuant to Rights Issue from BSE and MSEI. The trading of 3,32,12,903 Equity Shares has been commenced from May 03, 2024.

For Mishtann Foods Limited

Sd/-

Hiteshkumar G. Patel

Managing Director

DIN:05340865

Place: Ahmedabad
Date: 13 July 2024

Independent Auditor's Report on Restated Consolidated Financial Information

To,
The Board of Directors
Mishtann Foods Limited
B-905 Empire Business Hub,
Opp. Shakti Arcade,
Science City Road, Sola,
Ahmedabad-380060,
Gujarat

1. We have examined the attached consolidated restated financial information of **Mishtann Foods Limited** (hereinafter referred to as “**the Company**”) and its subsidiary (the Company and its subsidiary together referred to as the “**Group**”) comprising the restated consolidated statement of assets and liabilities as at March 31, 2024 restated consolidated statement of profit and loss and restated consolidated cash flow statement for the financial year/period ended on March 31, 2024 and the summary statement of significant accounting policies and other explanatory information (collectively referred to as the “**restated financial information**” or “**Restated Consolidated Financial Information**”) annexed to this report and initialed by us for identification purposes. These Restated Consolidated Financial Information have been prepared by the management of the Company and approved by the board of directors at their meeting in connection with the proposed Issue where the the offer documents to be filed with Securities and Exchange Board of India (“**SEBI**”), BSE Limited (“**BSE**”), Metropolitan Stock Exchange of India Limited (“**MSEI**”) and Registrar of Companies – Ahmedabad (“**ROC**”).
2. These restated summary statements have been prepared in accordance with the requirements of:
 - (i) Section 26 of Part – I of Chapter III of Companies Act, 2013 (the “**Act**”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
 - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“**ICDR Regulations**”) and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India (“**SEBI**”);
 - (iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”)
3. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for inclusion in the Draft Prospectus/Prospectus (“**Offer Document**”) to be filed with Securities and Exchange Board of India (“**SEBI**”), BSE Limited (“**BSE**”), Metropolitan Stock Exchange of India Limited (“**MSEI**”) and Registrar of Companies – Ahmedabad (“**ROC**”). The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Consolidated Financial Information. The responsibility of the board of directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The board of directors

are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

4. We have examined such Restated Consolidated Financial Information taking into consideration:
 - (i) The terms of reference and terms of our engagement letter requesting us to carry out the assignment, in connection with the proposed issue;
 - (ii) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - (iii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information;
 - (iv) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
5. The Restated Consolidated Financial Information of the Company have been compiled by the management from consolidated audited financial statements for the year ended on March 31, 2024.
6. Audit for the financial year ended March 31, 2024 was conducted by M/s JM Patel & Bros, Chartered accountants vide report dt. May 16, 2024. There are no audit qualifications in the audit reports issued by previous auditors and which would require adjustments in the Restated Consolidated Financial Information of the Company. The financial report included for these years is based solely on the report submitted by him.
7. We did not audit the Financial Statements of the Subsidiaries for the year ended March 31, 2024, whose share of total assets, total revenues, net cash inflows/(outflows) included in the Restated Consolidated Financial Statements for the relevant years is tabulated below which have been audited by other auditors and our opinion on the Restated Consolidated Financial Statements in so far as it related to amounts and disclosures included in respect of Subsidiaries is based on the report of such other auditors:

(₹ in Thousands)

Particulars	For the year ended March 31, 2024
Total Assets	33,209.00
Total Revenues	96,566.72
Net Cash Inflows/ (Outflows)	44.28

8. Based on our examination and according to information and explanations given to us, we are of the opinion that the Restated Consolidated Financial Information:

- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial year ended on March 31, 2024.
 - b) do not require any adjustment for modification as there is no modification in the underlying audit reports;
 - c) have no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
 - d) have been prepared in accordance with the Act, ICDR Regulations and Guidance Note.
9. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and engagement letter, we report that:
- (i) The “**restated consolidated statement of asset and liabilities**” of the Company as at March 31, 2024 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure V** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
 - (ii) The “**restated consolidated statement of profit and loss**” of the Company for the financial year ended on at March 31, 2024 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure V** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
 - (iii) The “**restated consolidated statement of cash flows**” of the Company for the financial year ended on at March 31, 2024 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure V** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.
10. We have also examined the following other financial information relating to the Company prepared by the management and as approved by the board of directors of the Company and annexed to this report relating to the Company for the financial year/period ended on at March 31, 2024, proposed to be included in the Offer Document.

Annexure to Restated Consolidated Financial Information of the Company:-

- I. Consolidated statement of assets and liabilities, as restated as appearing in ANNEXURE I;
- II. Consolidated statement of profit and loss, as restated as appearing in ANNEXURE II;
- III. Consolidated statement of cash flows as restated as appearing in ANNEXURE III;
- IV. Consolidated statement of changes in equity as restated as appearing in

ANNEXURE IV;

v. Significant accounting policies and explanatory notes to the restated consolidated financial statements as appearing in ANNEXURE V to this report;

11. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the board of directors for inclusion in the offer document to be filed with Securities and Exchange Board of India (“SEBI”), BSE Limited (“BSE”), Metropolitan Stock Exchange of India Limited (“MSEI”) and Registrar of Companies – Ahmedabad (“ROC”) in connection with the proposed issue. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For M/s. Panchal S K & Associates
Chartered Accountants
Firm registration number: 145989W

Sd/-
CA. Swati Panchal
Partner
M.No.: 149279

Place: Ahmedabad
Date: 13.08.2024
UDIN: 24149279BKFFYB3254

MISHTANN FOODS LIMITED

CIN: U25111GJ1999PLC036163

ANNEXURE – I: RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakhs)

Particulars		Note No.	As At		
			31.03.2024	31.03.2023	31.03.2022
A.	Assets				
1	Non-Current Assets				
	(a) Property, Plant & Equipment	4	363.89	430.07	504.26
	(b) Right-of-Use Assets	5	5.58	5.64	5.70
	(b) Financial Assets				
	(i) Investments	6	0.60	0.33	0.35
	(ii) Other Financial Assets	7	348.31	295.42	91.99
	(c) Deferred Tax Assets (Net)	8	26.13	26.43	26.34
	Total Non- Current Assets		744.51	757.89	628.64
2	Current Assets				
	(a) Inventories	9	2,461.13	2,814.48	4,029.91
	(b) Financial Assets				
	(i) Trade Receivables	10	59,118.02	22,052.39	9,920.45
	(ii) Cash and cash equivalents	11	49.82	4.60	24.12
	(c) Other Current Assets	12	2,179.13	72.65	1,441.01
	Total Current Assets		63,808.10	24,944.12	15,415.49
	Total Assets		64,552.61	25,702.01	16,044.13
B.	Equity and Liabilities				
1	Shareholders' Funds				
	(a) Equity Share Capital	13	10,296.00	10,000.00	5,000.00
	(b) Other Equity	14	43,476.21	4,346.92	4,822.83
	Total Shareholders' Funds		53,772.21	14,346.92	9,822.83
2	Non-Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	15	890.93	1,371.31	1,192.94
	(ii) Lease Liabilities	5	3.71	4.06	4.38
	Total Non-Current Liabilities		894.64	1,375.37	1,197.32
3	Current Liabilities				
	(a) Financial liabilities				
	(i) Borrowings	16	3,192.93	4,078.54	2,292.70
	(ii) Lease Liabilities	5	0.50	0.50	0.50
	(iii) Trade payables	17			
	-total outstanding dues of micro enterprises and small enterprises		-	-	-
	-total outstanding dues of creditors other than micro enterprises and small enterprises		252.06	348.46	230.91
	(iv) Other financial liabilities	18	10.17	20.06	20.04
	(b) Other current liabilities	19	165.78	139.58	79.16
	(c) Current tax liabilities (net)	20	6,264.32	5,392.58	2,400.67
	Total Current Liabilities		9,885.76	9,979.72	5,023.98
	Total Equity & Liabilities		64,552.61	25,702.01	16,044.13

See accompanying notes under Annexure V forming integral part of the restated Consolidated financial information.

As per our report of even date.

For M/s Panchal S K & Associated

Chartered Accountants

FRN - 145989W

For and on behalf of the board of directors

sd/-

(CA Swati Panchal)

Partner

Mem. No. 149279

Place : Ahmedabad

Date : 13.08.2024

UDIN: 24149279BKFFYB3254

sd/-

Hiteshkumar Gaurishankar Patel

(Managing Director)

(DIN: 05340865)

sd/-

Navinchandra Dahyalal Patel

(Director & CFO)

(DIN: 05340874)

sd/-

Shivangi Digant Shah

(Company Secretary)

MISHTANN FOODS LIMITED

CIN: U25111GJ1999PLC036163

ANNEXURE – II: RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

Particulars		Note No.	For the year ended		
			31.03.2024	31.03.2023	31.03.2022
I	Revenue:				
	Revenue from operations (net)	21	1,28,537.99	65,038.52	49,857.92
	Other income	22	5.94	4.64	3.61
	Total revenue		1,28,543.93	65,043.16	49,861.53
II	Expenses:				
	Cost of material Consumed	23	74,415.90	56,376.93	44,298.04
	Changes in inventories of finished goods	24	-	-	-
	Manufacturing expenses	25	32.63	56.72	101.81
	Employee benefit expenses	26	273.47	33.86	39.64
	Finance costs	27	1,075.65	880.41	520.40
	Depreciation and amortization expense	28	68.18	79.96	94.83
	Other expenses	29	18,057.30	378.52	221.45
	Total Expenses		93,923.13	57,806.40	45,276.17
III	Profit/(loss) before exceptional items & tax (I-II)		34,620.80	7,236.76	4,585.36
IV	Exceptional Items		-	-	-
V	Profit/(loss) before tax (III-IV)		34,620.80	7,236.76	4,585.36
VI	Tax Expense :	31			
	(i) Current tax		772.79	2,687.76	1,658.47
	(ii) Deferred Tax		0.30	(0.09)	(1.20)
	Total Tax Expense		773.09	2,687.67	1,657.27
VII	Profit/(loss) for the year (V-VI)		33,847.71	4,549.09	2,928.09
VIII	Other Comprehensive Income			755.20	
	(a) (i) Items that will not be reclassified to profit or loss		-	-	-
	(ii) Income tax relating to above items		-	-	-
	(b) (i) Items that will be reclassified to profit or loss		-	-	-
	(ii) Income tax relating to above items		-	-	-
IX	Other Comprehensive Income for the year		-	-	-
X	Total Comprehensive Income for the year (VII+IX)		33,847.71	4,549.09	2,928.09
XI	Earning per equity share (in Rs.):	41			
	(1) Basic (Face Value of Rs. 10 each)		3,369	0,455	0,293
	(2) Diluted (Face Value of Rs. 10 each)		3,341	0,455	0,293

See accompanying notes under Annexure V forming integral part of the restated Consolidated financial information.

As per our report of even date.

 For M/s Panchal S K & Associated
 Chartered Accountants
 FRN - 145989W

 sd/-
 (CA Swati Panchal)
 Partner

 Mem. No. 149279
 Place : Ahmedabad
 Date : 13.08.2024
 UDIN: 24149279BKFFYB3254

 sd/-
 Hiteshkumar Gaurishankar Patel
 (Managing Director)
 (DIN: 05340865)

For and on behalf of the board of directors

 sd/-
 Navinchandra Dahyalal Patel
 (Director & CFO)
 (DIN: 05340874)

 sd/-
 Shivangi Digant Shah
 (Company Secretary)

MISHTANN FOODS LIMITED

CIN: U25111GJ1999PLC036163

ANNEXURE - III: RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ in Lakhs)

Particulars	For the year ended		
	31.03.2024	31.03.2023	31.03.2022
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Profit before exceptional items and tax	34,620.80	7,236.76	4,585.36
Adjustments for:			
Depreciation and amortization expenses	68.18	79.96	94.83
Net Gain on Fair Value Changes	(0.27)	0.02	(0.07)
Finance Cost (including Finance Charges on Lease)	1,061.70	864.11	496.64
Interest Received	(5.67)	(4.64)	(0.94)
Dividend Received	-	-	-
Operating Profit before working capital changes	35,744.74	8,176.21	5,175.82
Changes in working capital			
Adjustments for:			
Inventories	353.35	1,215.43	(63.98)
Trade receivables	(37,065.63)	(12,131.94)	(1,820.26)
Other current assets	(2,106.48)	1,368.36	(1,390.58)
Non-current financial assets	(52.89)	(203.43)	-
Trade payables	(96.40)	117.55	(70.42)
Other current liabilities	26.20	60.42	(37.86)
Other financial liabilities	0.11	0.02	-
Cash generated from operations	(3,197.00)	(1,397.38)	1,792.72
Net Income tax paid	(527.56)	(69.26)	(81.00)
Net cash flows used in operating activities (A)	(3,724.56)	(1,466.64)	1,711.72
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment (including Capital work-in-progress)	(1.94)	(5.71)	(0.26)
Purchase of Investments	-	-	-
Interest Received	5.67	4.64	0.94
Dividend Received	-	-	-
Net cash flow from investing activities (B)	3.73	(1.07)	0.68
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from borrowings	33,770.65	55,573.00	1,193.27
Repayment of Borrowings	(35,136.65)	(53,608.78)	(2,518.77)
Dividend Paid	(20.00)	(25.00)	(5.00)
Finance Cost Paid (including Finance Charges on Lease)	(435.53)	(491.03)	(362.60)
Issue of Shares and Warrants (Including Premium)	5,494.50	-	-
Net cash flow from financing activities (C)	3,672.97	1,448.19	(1,693.10)
Net increase in cash and cash equivalents (A+B+C)	(47.86)	(19.52)	19.30
Cash and cash equivalents at the beginning of the year	4.60	24.12	4.82
Exchange difference on translation of foreign subsidiary	93.08		
Cash and cash equivalents at the end of the period	49.82	4.60	24.12

a. Cash and cash equivalents in cash flow statement comprise of folowings:

(₹ in Lakhs)

Particulars	As at		
	31.03.2024	31.03.2023	31.03.2022
Balance with Banks	37.83	0.06	15.04
Cash on hand	11.99	4.54	9.08
	49.82	4.60	24.12

See accompanying notes under Annexure V forming integral part of the restated financial information.

As per our report of even date.

0.00

For M/s Panchal S K & Associated

Chartered Accountants

FRN - 145989W

sd/-

(CA Swati Panchal)

Partner

Mem. No. 149279

Place : Ahmedabad

Date : 13.08.2024

UDIN: 24149279BKFFYB3254

For and on behalf of the board of directors

 sd/-
 Hiteshkumar Gaurishankar Patel
 (Managing Director)
 (DIN: 05340865)

 sd/-
 Navinchandra Dahyalal Patel
 (Director & CFO)
 (DIN: 05340874)

 sd/-
 Shivangi Digant Shah
 (Company Secretary)

MISHTANN FOODS LIMITED

CIN: U25111GJ1999PLC036163

ANNEXURE - IV: RESTATED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**A. Equity Share Capital**

(₹ in Lakhs)

	No. of Shares	Amount
As at March 31, 2023	1,00,00,00,000	10,000.00
Changes during the period	2,96,00,000	296.00
As at March 31, 2024	1,02,96,00,000	10,296.00

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Money received against share warrants	Foreign currency translation reserve	Reserve and surplus		
			Retained earnings	Securities premium	Total
Balance as at March 31, 2023	-	-	4,346.92	-	4,346.92
Profit for the year	-	-	33,847.71	-	33,847.71
Additions	1,498.50	93.08	-	3,700.00	5,291.58
Dividend	-	-	(10.00)	-	(10.00)
Balance as at March 31, 2024	1,498.50	93.08	38,184.63	3,700.00	43,476.21

Nature and purpose of reserve**Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

For M/s Panchal S K & Associated
Chartered Accountants
FRN - 145989W

For and on behalf of the board of directors of

sd/-
Hiteshkumar Gaurishankar Patel
(Managing Director)
(DIN: 05340865)

sd/-
Navinchandra Dahyalal Patel
(Director & CFO)
(DIN: 05340874)

(CA Swati Panchal)

Partner

Mem. No. 149279

Place : Ahmedabad

Date : 13.08.2024

UDIN: 24149279BKFFYB3254

sd/-
Shivangi Digant Shah
(Company Secretary)

MISHTANN FOODS LIMITED

CIN: U25111GJ1999PLC036163

ANNEXURE - V: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate Information

Mishtann Foods Limited (the "Company") is a public limited company domiciled in India and was incorporated as Hics Cements Private Limited on February 27, 1981 under the provisions of the Companies Act, 1956.

Pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on September 9, 1994, the Company has been converted from a Private Limited Company to a Public Limited Company and consequently, name of the Company has changed to Hics Cements Limited pursuant to fresh certificate of incorporation issued by Registrar of Companies on October 21, 1994. Thereafter, the name of company is changed to "Mishtann Foods Limited" w.e.f. February 19, 2015.

Its registered office is located at B-905 Empire Business Hub, Opp Shakti Farm, Science City Road, Sola, Ahmedabad-380060. and plant of the company is situated at Survey No. 10, Kabodari, Himmatnagar - Dhansura Highway, Talod, Sabarkantha, Gujarat - 383305. The Company is primarily engaged in the business of processing and packaging of fast moving consumer goods, such as Basmati rice and wheat flour and marketing and selling of pulses and salt.

The Company has one wholly-owned subsidiary - Grow & Grub Nutrients FZ-LLC.

The Restated Financial Statements of the company for the year ended March 31, 2024, 2023 & 2022 were approved for issue by the Board of Directors on 12.08.2024.

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the Restated Financial Statements.

These policies have been consistently applied to all the years/period presented, unless otherwise stated.

(a) Basis of Preparation of Restated Consolidated Financial Statements

(i) Statement of Compliance with Ind AS

The restated consolidated summary statement of assets and liabilities of the Company as at March 31, 2024, 2022 and 2021 and the related restated consolidated summary statement of profits and loss and cash flows for the year/period ended March 31, 2024, 2023 and 2022 (herein collectively referred to as (“Restated consolidated summary Statements”)) have been compiled by the management from the audited Consolidated Financial Statements for the year/period ended on March 31, 2024, 2023 and 2022. Restated consolidated summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 (the “Act”) read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”) issued by SEBI and Guidance note on Reports in Companies Prospectuses (Revised 2019) (“Guidance Note”). Restated consolidated summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the NSE in connection with its proposed IPO. The Company’s management has recast the Consolidated Financial Statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of restated consolidated summary Statements.

The Restated Consolidated Financial Statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian Accounting standards) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian Accounting Standards) Rules, 2015(as amended from time to time), presentation requirements of Division II of Schedule III to the Companies Act, 2013, as applicable to the Restated Consolidated Financial Information and other relevant provisions of the Act..

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Indian Accounting Standard 110 – “Consolidated Financial Statements” notified by Companies (Indian Accounting Standards) Rules, 2015.

Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and equity of the Company’s shareholders.

Minority interest in the net assets of consolidated subsidiaries consists of:

- a. The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
- b. The minority share of movements in equity since the date the parent subsidiary relationship came into existence.

Minority’s share of net profit for the year of consolidated subsidiaries is identified and adjusted against the Profit After Tax of the Group.

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III of the Companies Act, 2013.

(ii) **Basis of measurement**

The Restated Consolidated Financial Statements have been prepared on a historical cost convention on accrual basis, except certain financial assets and liabilities measured at fair value.

(iii) **Current and non current classification**

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act.

(b) **Use of estimates**

The preparation of Restated consolidated Financial Statements in conformity with Ind AS requires the management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the consolidated Balance Sheet date. The estimates and assumptions used in the accompanying Restated Consolidated Financial Statements are based upon the management's evaluation of the relevant facts and circumstances as at the date of the Restated Consolidated Financial Statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

(c) **Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Consolidated Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the WDV Method. The estimated useful lives of assets are taken as prescribed useful lives under Schedule II to the Companies Act, 2013. The management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Consolidated Statement of Profit and Loss under 'Other Income'.

(d) **Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(e) Foreign Currency Transactions

(I) Functional and presentation currency

Items included in the Restated Consolidated Financial Statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Restated consolidated Financial Statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(II) Transactions and balances

All foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

(I) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(II) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(III) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. the impairment methodology applied depends on whether there has been a significant increase in credit risk.

(IV) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Financial liabilities

(I) Recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate. The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

Interest-bearing loans and borrowings are subsequently measured at amortized cost . Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized .

(III) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(g) Revenue Recognition

The company derives revenues primarily from sale of processed goods.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the companys activities as described below:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

Sale of products:

Revenue from sale of products is recognised when significant risks and rewards in respect of ownership of products are transferred to customers based on the terms of sale. Revenue from sales from products is based on the price specified in the sales contracts, net of all discounts, returns and goods & service tax at the time of sale.

(h) Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities in accordance with the relevant prevailing tax laws. Tax expenses relating to the items in profit & loss account shall be treated as current tax as part of profit and loss and those relating to items in other comprehensive income shall be recognised as part of OCI.

(b) Deferred tax

Deferred income tax is recognised for all the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in Restated Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

At each balance sheet, the company re-assesses unrecognised deferred tax assets, if any, and the same is recognised to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

(i) Leases

At the commencement of the lease term, the company will determine whether the lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Recognition and Measurement:

For finance leases, the company will recognize a lease liability and a right-of-use asset at the commencement of the lease term. The lease liability will be measured at the present value of lease payments that are not yet paid discounted at the lease's incremental borrowing rate. Lease payments include minimum lease payments, guaranteed residual value, and any penalties for early termination. The right-of-use asset will be recognized at the same amount as the lease liability adjusted for any lease incentives received.

Subsequent to initial recognition, the right-of-use asset will be depreciated on a straight-line basis over the lease term. The interest expense on the lease liability will be recognized using the effective interest method.

Reassessment:

The company will reassess the lease term and the lease payments if there is a significant change in circumstances. If the lease term is reassessed, the carrying amount of the asset and liability will be adjusted accordingly, and the depreciation and interest expense will be recalculated prospectively.

For operating leases that will be expensed out, the company will recognize lease payments as an expense in the income statement on a straight-line basis over the lease term. The lease payments will be recorded as rent expense, and no right-of-use asset or lease liability will be recognized in the balance sheet.

Reassessment:

The company will reassess the lease term and the lease payments if there is a significant change in circumstances.

(j) Inventories

Valuation of Inventories and costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, finished goods, semi finished goods, trading goods and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding taxes those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Scrap and wastages are stated at net realisable value. In determining the cost, FIFO method is used.

(k) Impairment of non-financial assets

The carrying value of assets / cash generating units at the Consolidated Balance Sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised for such excess amount.

(l) Provisions and contingent liabilities

Provisions are recognized when there is a present obligation 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 there is a reliable estimate 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 using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. 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 or a reliable estimate of the amount cannot be made.

(m) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

(n) Employee Benefits

(I) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled.

(II) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The Company does not have any defined benefit plan obligations

(o) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year, if any. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(p) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all the attached conditions. All government grants are initially recognised by way of setting up as deferred income. Government grants relating to income are recognised in the profit & loss account. Government grants relating to purchase of property, plant & equipment are subsequently recognised in profit & loss on a systematic basis over the expected life of the related depreciable assets. Grants recognised in Profit & Loss as above are presented within other income.

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ANNEXURE - V: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS**3. Notes on Reconciliation of Restated Consolidated Profits**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Profit/(Loss) after Tax as per Audited/Unaudited Profit & Loss Account	34,602.91	4,992.26	3,141.27
Adjustments for:			
<i>Prior Period Items</i>			
Interest on Delayed Payment of Taxes	(629.85)	(381.05)	(140.19)
Depreciation	(0.00)	(0.07)	0.03
Rent	0.50	0.50	0.50
Penalty on Late Filing of Statutory Returns	(0.47)	(1.15)	(1.72)
Preliminary Expenses	-	-	-
Net Gain/(Loss) on Fair Value Changes	0.27	(0.02)	0.07
Dividend on Equity Shares Paid or Payable	-	10.00	-
Contribution to CSR	(54.71)	(72.60)	-
Finance charges on finance leases	(0.15)	(0.18)	(0.21)
Amortisation of Right-of-Use	(0.06)	(0.06)	(0.06)
Foreign exchange conversion differences	(92.98)		
Income Tax Expense	22.55	1.37	(72.80)
Deferred tax	(0.30)	0.09	1.20
Net Profit/ (Loss) After Tax as Restated	33,847.71	4,549.09	2,928.09

Explanatory notes to the above restatements to profits made in the audited Consolidated Financial Statements of the Company for the respective years:

- a. Interest on Delayed Payment of Taxes: The Company has not accounted for Interest on Delayed Payment of TDS and Income Taxes which has now been recognised and restated.
- b. Depreciation: The Company has not appropriately provided for depreciation which has now been restated and provided for.
- c. Penalty on Late Filing of Statutory Returns: The Company has not accounted for penalty on late filing of TDS Returns which has now been recognised and restated.
- d. Preliminary Expenses: The Company has amortised preliminary expenses which has now been adjusted against opening reserves and surplus as it is related to the period on or before April 1, 2020.
- e. Net Gain on Fair Value Changes: The Company has not recognised net gain/(loss) on fair value changes as per Ind AS 107 of financial assets measured at FVTPL which has now restated and recognised.
- f. Dividend on Equity Shares Paid or Payable: The Company has incorrectly recognised dividend on equity shares paid or payable under other expenses which has now been reclassified to Other Equity.
- g. Contribution to CSR: The company has debited reserves for provision for contribution to CSR which has now been reclassified to Statement of Profit & Loss.
- h. Rent, Finance charges on finance leases and Amortisation of Right-of-Use: The Company has not provided for impact of non-cancellable finance lease as per IndAS 116 which has now been restated and provided for.
- h. Foreign currency conversion differences: The Company has not provided for impact of Foreign exchange difference conversion of Profit and loss of foreign subsidiary which has now been restated
- i. Income Tax: The Company has incorrectly calculated for FY 2024 which has now been recalculated using enacted income tax rates for the respective years and accounted for.
- j. Deferred Tax: The Company has incorrectly calculated for FY 2024 which has now been recalculated using enacted income tax rates for the next financial year to the respective years and accounted for.

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ANNEXURE - V: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS**4. Notes on Reconciliation of Restated Consolidated Net-Worth**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Networth as audited (a)	55,076.55	15,021.14	10,116.48
-			
Adjustments for:			
Opening Balance of Adjustments	-	-	-
Depreciation for earlier years	1.42	1.49	1.46
Rent	1.50	1.00	0.50
Finance charges on finance leases	(0.62)	(0.44)	(0.23)
Amortisation of Right-of-Use	(0.18)	(0.12)	(0.06)
Lease Impact	0.38	0.38	0.38
Penalty on late filing of Statutory Returns	(4.78)	(3.63)	(1.91)
Short Provision of Income Tax for earlier years	(42.51)	(42.51)	(42.51)
Interest on Delayed Payment of Taxes	(562.42)	(181.37)	(41.18)
Net Gain/(Loss) on Fair Value Changes	0.11	0.13	0.06
Deferred tax for earlier years	11.95	11.86	10.66
Dividend	-	(10.00)	-
Contribution to CSR	54.71	72.60	-
Investment in subsidiary	(22.61)		
Foreign exchange conversion differences	92.98		
Income tax expense	(79.07)	(80.44)	(7.64)
Change in Profit & Loss	(755.20)	(443.17)	(213.18)
Closing Balance of Adjustments (b)	(1,304.34)	(674.22)	(293.65)
Networth as restated (a +b)	53,772.21	14,346.92	9,822.83

Explanatory notes to the above restatements to networth made in the audited Consolidated Financial Statements of the Company for the respective years:

- a. Depreciation: The Company has not appropriately provided for depreciation which has now been restated and provided for.
- b. Penalty on Late Filing of Statutory Returns: The Company has not accounted for penalty on late filing of TDS Returns which has now been recognised and restated.
- c. Short Provision of Income Tax for earlier years: The Company has not accounted for income tax liability as demand order passed which has now been restated.
- d. Interest on delayed payment of Taxes: The Company has not accounted for Interest on Delayed Payment of TDS and Income Taxes which has now been recognised and restated.
- e. Lease Impact: The Company has not provided for impact of non-cancellable finance lease as per IndAS 116 which has now been restated and provided for.
- f. Net Gain/(Loss) on Fair Value Changes: The Company has not recognised net gain/(loss) on fair value changes as per Ind AS 107 of financial assets measured at FVTPL which has now restated and recognised.
- g. Deferred Tax: The Company has incorrectly calculated for FY 2024 which has now been recalculated using enacted income tax rates for the next financial year to the respective years and accounted for .
- h. Dividend on Equity Shares Paid or Payable: The Company has incorrectly recognised dividend on equity shares paid or payable under other expenses which has now been reclassified to Other Equity.
- i. Income Tax: The Company has incorrectly calculated for FY 2024 which has now been recalculated using enacted income tax rates for the respective years and accounted for.
- j. Contribution to CSR: The company has debited reserves for provision for contribution
- k. Change in Profit & Loss: Refer Note 4 Above

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**ANNEXURE - V: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO
THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS**

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**ANNEXURE - V: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO
THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS**

5. ADJUSTMENTS HAVING NO IMPACT ON NETWORTH AND PROFIT:

a. Material Regrouping

Appropriate regroupings have been made in the Restated Summary Consolidated Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Consolidated Financial Statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

4 Property , plant & Equipment

(₹ in Lakhs)

Particulars	Leasehold Improvements	Plant & Machinery	Air Conditioner	Computer & Printer	Electrical Installation	Office Furniture	Telephone	Electric Equipment	Total
As at March 31, 2021	275.11	1,112.62	9.83	9.09	17.60	5.64	0.44	1.44	1,431.77
Additions	-	0.26	-	-	-	-	-	-	0.26
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2022	275.11	1,112.88	9.83	9.09	17.60	5.64	0.44	1.44	1,432.03
Additions	-	-	-	3.81	1.90	-	-	-	5.71
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2023	275.11	1,112.88	9.83	12.90	19.50	5.64	0.44	1.44	1,437.74
Additions Of subsidiary	-	-	-	1.77	-	-	-	0.17	1.94
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2024	275.11	1,112.88	9.83	14.67	19.50	5.64	0.44	1.61	1,439.68
Depreciation									
As at April 01, 2017	-	113.93	1,483.88	36.96	41.31	55.11	-	-	1,731.20
Charge for the year	-	13.85	226.72	2.84	4.34	10.86	-	-	258.61
Depreciation written back on change of method	-	-	230.23	-	-	-	-	-	230.23
Disposals/ Adjustment	-	-	36.12	-	-	2.11	-	-	38.24
As at March 31, 2021	108.39	690.80	7.24	8.63	12.93	4.23	0.42	0.36	833.00
Charge for the year	15.84	76.40	0.67	-	1.21	0.37	-	0.28	94.77
Disposals/ Adjustment	-	-	-	-	-	-	-	-	-
As at March 31, 2022	124.23	767.20	7.91	8.63	14.14	4.60	0.42	0.64	927.77
Charge for the year	14.33	62.57	0.50	0.91	1.11	0.27	-	0.21	79.90
Disposals/ Adjustment	-	-	-	-	-	-	-	-	-
As at March 31, 2023	138.56	829.77	8.41	9.54	15.25	4.87	0.42	0.85	1,007.67
Charge for the year	13.01	51.52	0.37	1.90	0.97	0.20	-	0.15	68.12
Disposals/ Adjustment	-	-	-	-	-	-	-	-	-
As at March 31, 2024	151.57	881.29	8.78	11.44	16.22	5.07	0.42	1.00	1,075.79
Net Carrying Value									
As at March 31, 2022	150.88	345.68	1.92	0.46	3.46	1.04	0.02	0.80	504.26
As at March 31, 2023	136.55	283.11	1.42	3.36	4.25	0.77	0.02	0.59	430.07
As at March 31, 2024	123.54	231.59	1.05	3.23	3.28	0.57	0.02	0.61	363.89

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(₹ in Lakhs)

5	Right-of-Use (RoU) Assets and Lease Liabilities	As At		
		Particulars		
		31.03.2024	31.03.2023	31.03.2022
	Opening Balance	5.64	5.70	5.76
	Less: Amortisation	(0.06)	(0.06)	(0.06)
	TOTAL	5.58	5.64	5.70

The Following is carrying value of Right-of-use assets

Particulars	As At		
	31.03.2024	31.03.2023	31.03.2022
Opening Balance	5.64	5.70	5.76
Additions			
Restatement Transition impact on account of adoption of Ind AS 116 “Leases”			-
Deletion			
Amortization for the year	(0.06)	(0.06)	(0.06)
Closing Balance	5.58	5.64	5.70

The amortization expense on ROU assets is included under depreciation and amortization expense in statement of Profit and Loss for the respective year.

The following is the break-up of current and non-current lease liabilities

(₹ in Lakhs)

Particulars	As At		
	31.03.2024	31.03.2023	31.03.2022
Current Lease Liabilities	0.50	0.50	0.50
Non-current Lease Liabilities	3.71	4.06	4.38
Total	4.21	4.56	4.88

The following is the carrying value of lease liability for the year ended March 31, 2022

Particulars	As At		
	31.03.2024	31.03.2023	31.03.2022
Opening Balance	4.56	4.88	5.17
Additions			
Restated Transition impact on account of adoption of Ind AS 116 “Leases”			
Finance cost accrued during the year	0.15	0.18	0.21
Deletions			
Payment of lease liabilities including interest during the year	(0.50)	(0.50)	(0.50)
Lease Termination during the year			-
Closing Balance	4.21	4.56	4.88

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Note:

The estimated impact of Ind AS 116 on the Company's financial statements is as follows:

(a) The Company incurred ₹ 4.09 Lakhs for the year ended March 31, 2024 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹ 4.59 Lakhs for the year ended March 31, 2024 including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities for the year ended March 31, 2024 is ₹ 0.15 Lakhs .

(b) Lease contracts entered by the Company majorly pertains for Land & Building taken on lease to conduct its business in the ordinary course. The Company have taken land and buildings on leases for processing facilities.

(c) The weighted average incremental borrowing rate applied to lease liabilities is 9.20%. The Company has applied a single discount rate to a portfolio of leases of a similar assets in similar economic environment with similar end date.

(d) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(₹ in Lakhs)

6	Non-Current Investments	As At		
		31.03.2024	31.03.2023	31.03.2022
	Particulars			
	Investment in shares, measured at FVTPL (Quoted)			
	1 (March 31, 2021: 1; March 31, 2020: 1) Equity Shares of Adani Enterprises Limited of ₹ 1/- each fully paid up	0.03	0.02	0.02
	1 (March 31, 2021: 1; March 31, 2020: 1) Equity Shares of Adani Total Gas Limited of ₹ 1/- each fully paid up	0.01	0.01	0.02
	2 (March 31, 2021: 2; March 31, 2020: 2) Equity Shares of Arvind Ltd of ₹ 10/- each fully paid up	0.01	-	-
	5 (March 31, 2021: 5; March 31, 2020: 5) Equity Shares of Asian Granito India Limited of ₹ 10/- each fully paid up	-	-	-
	15 (March 31, 2021: 15; March 31, 2020: 15) Equity Shares of Bank of Baroda of ₹ 2/- each fully paid up	0.08	0.03	0.02
	1 (March 31, 2021: 1; March 31, 2020: 1) Equity Shares of KRBL Ltd. of ₹ 2/- each fully paid up	-	-	-
	10 (March 31, 2021: 10; March 31, 2020: 10) Equity Shares of Punjab National Bank of ₹ 2/- each fully paid up	0.01	-	-
	15 (March 31, 2021: 15; March 31, 2020: 15) Equity Shares of State Bank of India of ₹ 1/- each fully paid up	0.23	0.08	0.07
	6 (March 31, 2021: 6; March 31, 2020: 6) Equity Shares of Tata Consultancy Services Limited of ₹ 1/- each fully paid up	0.23	0.19	0.22
	TOTAL	0.60	0.33	0.35
	Aggregate carrying amount of quoted investments	0.60	0.33	0.35
	Aggregate market value of quoted investments	0.60	0.33	0.35
	Aggregate amount of unquoted investments	-	-	-
	Aggregate amount of impairment in value of investments	-	-	-

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(₹ in Lakhs)

7	Other Non-current Financial assets	As At		
		Particulars		
		31.03.2024	31.03.2023	31.03.2022
	Security Deposits (including bank deposits)	348.31	295.42	91.99
	TOTAL	348.31	295.42	91.99

(₹ in Lakhs)

8	Deferred tax Assets (Net)	As At		
		Particulars		
		31.03.2024	31.03.2023	31.03.2022
	Deferred Tax Asset due to:			
	-Difference in WDV of Property, Plant & Equipment as per Companies Act, 2013 and Income Tax Act, 1961	24.66	24.84	24.64
	-Due to Lease Liabilites	1.47	1.59	1.70
	TOTAL (A+B)	26.13	26.43	26.34

9	Inventories	As At		
		Particulars		
		31.03.2024	31.03.2023	31.03.2022
	Classification of Inventories			
	Raw materials	2,461.13	2,814.48	4,029.91
	Finished goods	-	-	-
	TOTAL	2,461.13	2,814.48	4,029.91

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(₹ in Lakhs)

10	Trade Receivables	As At		
		31.03.2024	31.03.2023	31.03.2022
	Particulars			
	Unsecured - Considered good	59,118.02	22,052.39	9,920.45
	Unsecured- Considered Doubtful	-	-	-
		59,118.02	22,052.39	9,920.45
	Less: Allowance for expected credit loss	-	-	-
	TOTAL	59,118.02	22,052.39	9,920.45
	The following table summarises the changes in impairment allowance measured using the expected credit loss model:			
	At the beginning of the period /year	-	-	-
	Provision made during the period /year	-	-	-
	Utilised / reversed during the period/year	-	-	-
	At the end of the period/ year	-	-	-

Ageing of Trade Receivables as at March 31, 2024:

Particulars	Less than 6 months	6 months to 1 Year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) Undisputed-considered good	8,170.92	7,981.61	9,802.54	-	-	25,955.07
(ii) Undisputed-which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed-Credit Impaired	-	-	-	-	-	-
(iv) Disputed- considered doubtful	-	-	-	-	-	-
(v) Disputed-which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed-Credit Impaired	-	-	-	-	-	-

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(₹ in Lakhs)

11	Cash and Cash equivalents	As At		
		Particulars		
		31.03.2024	31.03.2023	31.03.2022
	Balances with Banks - in current accounts	37.83	0.06	15.04
	Cash in hand	11.99	4.54	9.08
	TOTAL	49.82	4.60	24.12

(₹ in Lakhs)

12	Other current assets	As At		
		Particulars		
		31.03.2024	31.03.2023	31.03.2022
	Vendor Advances	2,173.72	66.90	1,433.93
	Pre-Paid Expenses	5.41	5.75	7.08
	TOTAL	2,179.13	72.65	1,441.01

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(Rs. in Lakhs except no. of shares data)

13	Equity Share Capital	As at		
		March 31, 2024	March 31, 2023	March 31, 2022
	Particulars			
	(a) Authorized Share Capital Equity Shares of Rs. 1 each : 130,00,00,000	13,000.00	10,000.00	5,000.00
	TOTAL	13,000.00	10,000.00	5,000.00
	(b) Issued , Subscribed and fully paid up share Equity Shares of Rs. 1 each : 102,96,00,000	10,296.00	10,000.00	5,000.00
	TOTAL	10,296.00	10,000.00	5,000.00

(c) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Equity Shares						
Balance at the beginning of the period/ year	1,00,00,00,000	10,000.00	50,00,00,000	5,000.00	50,00,00,000	5,000.00
Add: Bonus Shares issued during the year	-	-	50,00,00,000	5,000.00	-	-
Add: Shares issued on conversion of warrants as private placement during the year	2,96,00,00,000	296.00				
Balance at the end of the period/ year	1,02,96,00,000.00	10,296.00	1,00,00,00,000	10,000.00	50,00,00,000	5,000.00

(d) * The Authorised Capital of the Company is Rs. 130,00,00,000 comprising of 130,00,00,000 number of Equity Shares of Rs. 1/- each. During the year ended March 31, 2024, the Parent Company has received listing approval of 2,96,00,000 Equity Shares issued pursuant to Preferential Issue of Convertible Warrants into Equity Shares from BSE and MSEI. The trading of 2,96,00,000 Equity Shares has been commenced from March 19, 2024. The Company is yet convert to 4,44,00,000 Warrants into Equity.

(e) The Company has issued bonus shares in the ratio of 1:1 approved by board of directors at the meeting held on April 18, 2022.

(f) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of Rs. 1/- per share. Each holder of equity shares is entitled to one vote per share and has equal dividend right. The Company declares and pays dividend in Indian Rupees. The Dividend if proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held by the shareholders.

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(g) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of share holder	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Hiteshkumar Gaurishankar Patel	49,81,71,027.00	48.38%	49,76,88,728	49.77%	24,64,02,098	49.28%
Vasantbhai Bhikhabhai Patel	-	-	-	0.00%	2,50,39,887	5.01%

(h) Details of shares held by promoters

Name of Promoters	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Hiteshkumar Gaurishankar Patel	49,81,71,027.00	48.38%	49,76,88,728	49.769%	24,64,02,098	49.280%

Name of Promoters	As at March 31, 2024		As at March 31, 2023		Shareholding
	No of shares	Amount	No of shares	Amount	
Hiteshkumar Gaurishankar Patel	49,81,71,027.00	48.38%	49,76,88,728.00	49.77%	(1.384%)

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(₹ in Lakhs)

14	Other Equity	Particulars	As At		
			31.03.2024	31.03.2023	31.03.2022
(a)	Retained Earnings				
	Balance at the beginning of the period/ year	5,021.13	4,822.83	1,914.74	
	Less: Prior-Period Impacts	(674.21)	-	-	
	Add: Net profit for the year	33,847.71	4,549.09	2,928.09	
	Less: CSR	-	-	-	
	Less: Utilised for Bonus Issue	-	(5,000.00)	-	
	Less: Dividend	(10.00)	(25.00)	(20.00)	
	Balance at the end of the period/ year	38,184.63	4,346.92	4,822.83	
(b)	Securities Premium				
	Balance at the beginning of the period/ year	-	-	-	
	Add: Received during the year	3,700.00	-	-	
	Balance at the end of the period/ year	3,700.00	-	-	
(c)	Foreign currency translation reserve	93.08	-	-	
(d)	Money received against share warrants	1,498.50	-	-	
	TOTAL (c+d)	43,476.21	4,346.92	4,822.83	

(₹ in Lakhs)

15	Non- Current Borrowings	Particulars	As At		
			31.03.2024	31.03.2023	31.03.2022
	Secured:				
	(a) Term Loans:				
	-From Banks	890.93	1,371.31	1,192.94	
	TOTAL	890.93	1,371.31	1,192.94	

Nature of Securities and terms of repayment for Long Term Borrowings:

Term Loans:

A	Guarantee Emergency Credit Line - Working Capital Term Loan (GECL - WCTL) from SBI for ₹ 14.40 Crores carries interest at 9.25% (MCLR + 0.80% wherein MCLR as on Aug 2023 is 8.45%) calculated at monthly rests. The Loan is repayable in 36 Equal Monthly Instalments of ₹ 40 Lakhs after a moratorium of 24 months. It is secured by hypothecation of stock, receivables, other current assets and plant & machinery of the company. It is further secured by equitable mortgage of Residential Building, Factory Land & Building owned by directors and relatives alongwith with their personal guarantees.
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(₹ in Lakhs)

16	Current Borrowings	As At		
		31.03.2024	31.03.2023	31.03.2022
	Particulars			
	Secured:			
	(a) Cash Credit (Including Stand-by-Line of Credit):			
	-From Banks	2,712.93	3,998.54	2,270.45
	Current Maturities of Long-term Debt	480.00	80.00	22.25
	TOTAL	3,192.93	4,078.54	2,292.70

a.	Cash Credit from SBI for ₹ 39.60 Crores is secured by hypothecation of stock, book debts, and all other current assets of the company. It is secured by hypothecation of stock, receivables, other current assets and plant & machinery of the company. It is further secured by equitable mortgage of Residential Building, Factory Land & Building owned by directors and relatives alongwith with their personal guarantees The Facility carries interest rate of 9.40% (MCLR + 0.95% wherein MCLR as on Aug 2023 is 8.45%)
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(₹ in Lakhs)

17	Trade Payables	As At		
		31.03.2024	31.03.2023	31.03.2022
	Particulars			
	i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
	ii) Total outstanding dues of creditors other	252.06	348.46	230.91
	TOTAL	252.06	348.46	230.91

Ageing of Trade Payables as at March 31, 2024:

Particulars	Less than 1 Year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	252.06	-	-	-	252.06
(iii) Disputed dues — MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

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(₹ in Lakhs)

18	Other Current Financial Liabilities	As At		
		Particulars		
		31.03.2024	31.03.2023	31.03.2022
	Provision for Proposed Dividend	10.00	20.00	20.00
	Outstanding Expenses	0.17	0.06	0.04
	TOTAL	10.17	20.06	20.04

(₹ in Lakhs)

19	Other current Liabilities	As At		
		Particulars		
		31.03.2024	31.03.2023	31.03.2022
	Advances from Customers	-	-	-
	Statutory Duties & Taxes	38.49	71.59	79.16
	Provision for CSR Contribution	127.29	67.99	-
	TOTAL	165.78	139.58	79.16

(₹ in Lakhs)

20	Current Tax Liabilities (net)	As At		
		Particulars		
		31.03.2024	31.03.2023	31.03.2022
	Provision for Tax	6,297.14	5,513.36	2,452.18
	Less: Advance Tax paid (including TDS & TCS)	(32.82)	(120.78)	(51.51)
	TOTAL	6,264.32	5,392.58	2,400.67

(₹ in Lakhs)

21	Revenue from operations	For the year ended		
		Particulars		
		31.03.2024	March 31, 2023	March 31, 2022
	Sale of Goods			
	- Export Sales	155.01	-	17.47
	- Domestic Sales	1,28,382.98	65,038.52	49,840.45
	TOTAL	1,28,537.99	65,038.52	49,857.92

(₹ in Lakhs)

22	Other Income	For the year ended		
		Particulars		
		31.03.2024	March 31, 2023	March 31, 2022
	Interest Income on FD	5.67	4.64	0.94
	Net Gain on Fair Value Changes (Refer Note Below)	0.27	-	0.07
	TOTAL	5.94	4.64	3.61

Note:

Net gains/(losses) on fair value changes:

(₹ in Lakhs)

Particulars	For the year ended		
	Particulars		
	31.03.2024	March 31, 2023	March 31, 2022
Investments classified at FVTPL	0.27	(0.02)	0.07
Investments designated at FVTPL	-	-	-
Derivatives at FVTPL	-	-	-
Other Financial Instruments classified as FVTPL	-	-	-
Other Financial Instruments designated at FVTPL	-	-	-
Reclassification adjustments	-	-	-
Realised gain on debt investments classified as FVOCI	-	-	-
Others (to be specified)	-	-	-
Total Net gains (losses) on fair value changes*	0.27	(0.02)	0.07

Total Net gains (losses) on fair value changes include Rs. NIL (previous year: Rs. NIL) as 'Net gain or loss on sale of investments'.

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(₹ in Lakhs)

23	Cost of Material Consumed	For the year ended		
		31.03.2024	March 31, 2023	March 31, 2022
	Particulars			
	Inventories at the beginning of the period / year	2,814.48	4,029.91	3,965.93
	Add: Purchases	74,062.55	55,161.50	44,362.02
	Less: Inventories at the end the period / year	(2,461.13)	(2,814.48)	(4,029.91)
	Raw Material Consumed	74,415.90	56,376.93	44,298.04

(₹ in Lakhs)

25	Manufacturing expenses	For the year ended		
		31.03.2024	March 31, 2023	March 31, 2022
	Particulars			
	Electricity Expenses	12.33	14.36	97.23
	Packing Material Expenses	20.30	42.36	4.58
	TOTAL	32.63	56.72	101.81

(₹ in Lakhs)

26	Employee benefit expenses	For the year ended		
		31.03.2024	March 31, 2023	March 31, 2022
	Particulars			
	Salaries & Wages	267.47	27.36	30.07
	Remuneration to Directors	6.00	6.50	4.50
	TOTAL	273.47	33.86	39.64

(₹ in Lakhs)

27	Finance costs	For the year ended		
		31.03.2024	March 31, 2023	March 31, 2022
	Particulars			
	Bank Charges (Including Processing Charges)	13.95	16.30	23.76
	Interest on Borrowings	431.70	482.88	356.24
	Finance charges on finance leases	0.15	0.18	0.21
	Interest on Delayed Payment of Taxes	629.85	381.05	140.19
	TOTAL	1,075.65	880.41	520.40

(₹ in Lakhs)

28	Depreciation and amortization expense	For the year ended		
		31.03.2024	March 31, 2023	March 31, 2022
	Particulars			
	Depreciation	68.12	79.90	94.77
	Amortisation of Right-of-Use	0.06	0.06	0.06
	TOTAL	68.18	79.96	94.83

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(₹ in Lakhs)

29	Other expenses	For the year ended			
		Particulars	31.03.2024	March 31, 2023	March 31, 2022
	Advertisement Exp	0.70	0.73	1.63	
	Annual Fees	15.89	6.95	5.90	
	Antivirus, Technology & Internet Exps	1.50	1.17	9.24	
	Audit Fees	2.75	1.70	-	
	Clearing & Forwarding Exp.	53.65	0.69	1.55	
	Commission / Brokerage Exp.	17,500.99	0.69	0.24	
	Computer & Printer Repairing Exps.	0.50	-	-	
	Contribution towards CSR	118.81	72.60	-	
	Conveyance Exps.	3.70	5.55	5.70	
	Electricity Exp.- Office	0.32	-	0.69	
	Factory Exp	2.02	0.12	1.10	
	Hotel stays	14.65	-	-	
	Inward/Outward Freight Exps.	1.34	1.67	-	
	Insurance Expenses	9.45	8.85	9.37	
	Legal & Professional Fees	68.07	80.32	19.95	
	Loading & Unloading Exp	33.11	90.79	101.03	
	Municipal Tax	0.31	-	-	
	Office Expenses	6.15	5.97	2.12	
	Rent	45.24	1.13	4.74	
	Penalty, Interest & Late fees	0.47	1.15	1.72	
	Postage & Courier Exp.	0.15	0.12	0.20	
	Rates & Taxes	59.06	54.38	24.29	
	Railway Rake Freight Exps.	26.95	29.41	-	
	Refreshment & Foods Exps.	15.62	0.60	0.63	
	Repairs & Maintenance Exps.	-	0.16	-	
	Right Issue Exps.	29.06	-	-	
	Sitting Fees	0.56	-	-	
	Stationery & Printing Exp.	10.21	0.30	0.52	
	Telephone & Internet Exp.	2.46	0.05	0.15	
	Travelling Exps. - Foreign Travelling	26.96	-	-	
	Website Maintenance Charge	6.57	9.62	6.50	
	Vehicle Exps.	0.08	-	-	
	TOTAL	18,057.30	378.52	221.45	

31 Income Tax**(A) Deferred tax assets to the following:**

(₹ in Lakhs)

Particulars	31.03.2024	As at 31-03-2023	As at 31-03-2022
Deferred tax assets			
On Difference between book depreciation and tax depreciation	26.13	26.43	26.34
Total Deferred tax assets	26.13	26.43	26.34
Deferred tax liabilities	-	-	-
Total Deferred tax liabilities	-	-	-
Deferred tax Assets/(Liabilities) (Net)	26.13	26.43	26.34

(B) Reconciliation of deferred tax assets/ (liabilities) (net):

(₹ in Lakhs)

Particulars	31.03.2024	As at 31-03-2023	As at 31-03-2022
Opening balance	26.43	26.34	25.14
Deferred Tax asset recognized/(reversed) in Statement of Profit and Loss	(0.30)	0.09	1.20
Closing balance	26.13	26.43	26.34

(C) Movement in deferred tax assets/ liabilities recognized in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	31.03.2024	For the year ended March 31, 2023	For the year ended March 31, 2022
i) Deferred tax asset/(liability) on account of difference between book depreciation and tax depreciation	(0.18)	0.20	1.30
ii) Lease Liabilities	(0.12)	(0.11)	(0.10)
iii) Reversal of Deferred tax asset due to change in tax rates		-	-
Deferred tax income/(charge)	(0.30)	0.09	1.20

(D) Tax expense charged to Profit & Loss A/c

(₹ in Lakhs)

Particulars	31.03.2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Income tax expense	772.79	2,687.76	1,658.47
Deferred tax charge / (income)	(0.30)	0.09	1.20
Tax expense reported in the statement of profit or loss	772.49	2,687.85	1,659.67

(E) Tax expense charged to Other Comprehensive Income (OCI)

(₹ in Lakhs)

Particulars	31.03.2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred Tax Expense on Net loss/(gain) on remeasurements of defined benefit plans	-	-	-
Tax Expense charged to OCI	-	-	-

36 **Contingent Liabilities and Commitments**

The details of Contingent Liabilities and Commitments (to the extent not provided for):

(₹ in Lakhs)

Particulars	31.03.2024	As at 31-03-2023	As at 31-03-2022
Contingent Liabilities:			
Claims against the company not acknowledged as debt ¹	11,202.86	11,202.86	11,202.86
Guarantees excluding financial guarantees	-	-	-
Other money for which the company is contingently liable	-	-	-
Total	11,202.86	11,202.86	11,202.86
Capital Commitments outstanding to be executed:			
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-
Uncalled liability on shares and other investments partly paid	-	-	-
Other commitments	-	-	-
Total	-	-	-

¹ In March 2023, the Income Tax Department has issued demand order u/s 147 of Income Tax Act, 1961 for an amount of ₹ 11202.86 Crores. However, on May 3, 2023, the company has filed an appeal to challenge the said demand order based on the management evaluation and advise of tax consultants.

37 **Disclosure pursuant to Indian Accounting Standard-108 "Operating Segments":**

During the year under consideration, the company operated only one segment i.e., processing and packaging of fast moving consumer goods, such as Basmati rice and wheat flour and marketing and selling of pulses and salt.

38 **(a) Financial Instruments by Category**

(a) The carrying values and fair values of financial instruments at the end of each reporting periods is as follows:

Particulars	As at 31.03.2024	As at 31.03.2023	As at 31.03.2022	
	At FVTPL	Amortised Cost	At FVTPL	Amortised Cost
Assets:				
Investments (Non Current)	0.60	-	0.35	-
Other Non-current Financial assets	-	295.42	-	91.99
Trade Receivables	-	22,052.39	-	9,920.45
Cash & Cash Equivalents	-	4.60	-	24.12
Other Bank Balance	-	-	-	-
Other current Financial assets	-	-	-	-
Total	0.60	22,352.41	0.35	10,036.56
Liabilities:				
Non-Current Borrowings	-	1,371.31	-	1,192.94
Current Borrowings	-	4,078.54	-	2,292.70
Trade Payables	-	348.46	-	230.91
Other Financial Liabilities (Current)	-	20.06	-	20.04
Total	-	5,818.37	-	3,736.59

(b) Fair Value Measurement

(i) Fair Value hierarchy

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 assets or liabilities, either directly (i.e.as prices) or indirectly (i.e. derived from prices)

Level 3- Input based on unobservable market data

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

(₹ in Lakhs)

Particulars	Level 1	Total
As at March 31, 2024:		
<i>Financial Asset:</i>		
Investment in Shares	0.60	0.60
Total Financial Asset	0.60	0.60
<i>Financial Liabilities:</i>		
Total Financial Liabilities	-	-

(c) **Valuation Technique to determine fair value:**

The investment in shares of listed companies are arrived at closing rates as per Bhav Copy as of Reporting Date available on relevant stock exchange.

39 Financial Risk Management

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the company, include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency risk, interest rate risk, investment risk.

(i) Foreign currency risk

The company operates internationally and business is transacted in several currencies.

The export sales of company comprise around 2% of the total sales of the company, Further the company also imports certain assets and material from outside India. The exchange rate between the Indian rupee and foreign currencies has changed substantially in the future. Consequently the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by appropriately hedging the transactions. The Company uses a derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table summarizes the company's exposure foreign currency risk from financial instruments at the end of each reporting period:

Particulars	As At 31.03. 2024	As At 31.03. 2023	As At 31.03. 2022
a) Exposure on account of Financial Assets			
Trade receivables (net of bill discounted) (A)			
In USD	-	-	-
In Euro	-	-	-
Amount hedged through forwards & options # (B)			
In USD	-	-	-
In Euro	-	-	-
Net Exposure to Foreign Currency Assets (C=A-B)			
In USD	-	-	-
In Euro	-	-	-
b) Exposure on account of Financial Liabilities			
Trade Payables (D)			
In USD	-	-	-
In Euro	-	-	-
Amount Hedged through forwards & options # (E)			
In USD	-	-	-
In Euro	-	-	-
Net Exposure to Foreign Currency Liabilities F=(D-E)			
In USD	-	-	-
In Euro	-	-	-
Net Exposure to Foreign Currency Assets/(Liability) (C-F)			
In USD	-	-	-
In Euro	-	-	-

Foreign Currency Risk Sensitivity

1% appreciation/depreciation of the respective foreign currencies with respect to the functional currency of the Company would result in an increase/decrease in the Company's profit before tax by a negligible amount for the year ended 31st March,2024

ANNEXURE - V: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Exposure to Interest Rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(Rs. In Lacs)		
	As At 31.03. 2024	As At 31.03. 2023	As At 31.03. 2022
Long term debts from Banks and Financial Institutions	890.93	1,371.31	1,192.94
Current Maturities of long term debts	480.00	80.00	22.25
Unsecured Loan			
- From Related Parties	-	-	-
- From Financial Institutions	-	-	-
Working Capital Loans from Banks	2,712.93	3,998.54	2,270.45
Total borrowings	4,083.86	5,449.85	3,485.64
% of Borrowings out of above bearing variable rate of interest	100.00%	100.00%	100.00%

Interest rate sensitivity

A change of 50 bps in interest rate would have following impact on Profit before tax

Particulars	(Rs. In Lacs)		
	As At 31.03. 2024	As At 31.03. 2023	As At 31.03. 2022
50 bps increase would decrease the profit before tax by	(20.42)	(27.25)	(17.43)
50 bps decrease would increase the profit before tax by	20.42	27.25	17.43

(iii) Investment Risk

The company is exposed to equity price risk arising from equity investments.

The company manages equity price risk by investing in fixed deposits/Fixed Maturity Plans. The company does not actively trade equity investments. Protection principle is given high priority by limiting company's investments to fixed deposits/Fixed Maturity plans only.

Liquidity Risk

The financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash and deposits to meet the obligations as and when fall due.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

Particulars	(Rs. In Lacs)		
	As At 31.03. 2024	As At 31.03. 2023	As At 31.03. 2022
Borrowings			
expiring within one year	3,192.93	4,078.54	2,292.70
expiring beyond one year	890.93	1,371.31	1,192.94
	4,083.86	5,449.85	3,485.64
Trade Payables			
expiring within one year	252.06	348.46	230.91
expiring beyond one year	-	-	-
	252.06	348.46	230.91
Lease Liabilities			
expiring within one year	0.50	0.50	0.50
expiring beyond one year	3.71	4.06	4.38
	4.21	4.56	4.88
Other Financial liabilities			
expiring within one year	10.17	20.06	20.04
expiring beyond one year	-	-	-
	10.17	20.06	20.04

Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in shares of bank having proven track record and taken as a stipulation of credit facility availed from them. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Customer credit risk is managed by the Entities's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

The following table summarises the changes in impairment allowance measured using the expected credit loss model:

(Rs. In Lacs)

Particulars	As At 31.03. 2024	As At 31.03. 2023	As At 31.03. 2022
At the beginning of the period /year	-	-	-
Provision made during the period /year	-	-	-
Utilised / reversed during the period/year	-	-	-
At the end of the period/ year	-	-	-

The impairment analysis is performed on client to client basis at each reporting date for major customers. The company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

Write off policy

The financial assets are written off, in case there is no reasonable expectation of recovering from the financial asset.

Capital Management

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The company monitors capital using a gearing ratio.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue

The Company monitors capital using a gearing ratio, which is net debt divided by total equity.

The Company's gearing ratio was as follows:

(Rs. In Lacs)

Particulars	As At 31.03. 2024	As At 31.03. 2023	As At 31.03. 2022
Total Borrowings	4,083.86	5,449.85	3,485.64
Less: Cash and cash equivalents	5.54	4.60	24.12
Net debt	4,078.32	5,445.25	3,461.52
Total equity	20,585.81	14,346.92	9,822.83
Gearing ratio	0.20	0.38	0.35

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing during the year ended 31st March, 2024.

ANNEXURE - V: SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE RESTATED CONSOLIDATED

40 Related party disclosures

A. Names of related parties and nature of relationship :

a) Key managerial personnel:

S.No.	Relationship	Name
(i)	Chairman & Managing Director	Hiteshkumar Gaurishankar Patel
(ii)	Whole-Time Director & CFO	Navinchandra Dahyalal Patel
(iii)	Non-Executive Director	Keval Manuprasad Bhatt
(iv)	Company Secretary (till 02.12.2021)	Ziral Soni
(v)	Company Secretary (w.e.f. 03.12.2021)	Shivangi Shah

b) Relatives of Key Managerial Personnel:

S.No.	Relationship	Name
(i)	Relative of KMP	Manjulaben G Patel
(ii)	Relative of KMP	Vandanaben H Patel
(iii)	Relative of KMP	Ramanbhai Patel
(iv)	Relative of KMP	Lakhuben R Patel
(v)	Relative of KMP	Jatin Patel
(vi)	Relative of KMP is Karta	Jatin R Patel HUF
(vii)	Relative of KMP	Ravikumar Gaurishankar Patel
(viii)	Relative of KMP is Karta	Ravikumar Gaurishankar Patel HUF

c) Transactions with related parties are as follows:

(Rs in Lakhs)

S.No.	Nature of transaction	Year ended/Period ended	Key Managerial Personnel	Person with Interest by KeyManagerial Personnel	Total
(i)	Electricity Expenses	March 31, 2024	-	-	-
		March 31, 2023	-	-	-
		March 31, 2022	-	32.30	32.30
(ii)	Salary, allowances and bonus	March 31, 2024	10.74	-	10.74
		March 31, 2023	10.49	-	10.49
		March 31, 2022	7.06	-	7.06
(iii)	Purchase of Goods	March 31, 2024	-	-	-
		March 31, 2023	-	-	-
		March 31, 2022	-	14.00	14.00
(iv)	Sale of goods	March 31, 2024	0.30	0.13	0.43
		March 31, 2023	0.16	0.05	0.21
		March 31, 2022	0.12	0.04	0.16
(v)	Advance Given	March 31, 2024	-	-	-
		March 31, 2023	-	-	-
		March 31, 2022	10.00	-	10.00
(vi)	Advance Repaid	March 31, 2024	-	0.15	0.15
		March 31, 2023	-	-	-
		March 31, 2022	10.00	0.77	10.77
(vii)	Borrowings Taken	March 31, 2024	-	-	-
		March 31, 2023	-	-	-
		March 31, 2022	-	909.12	909.12
(viii)	Borrowings Repaid	March 31, 2024	-	15.82	15.82
		March 31, 2023	-	-	-
		March 31, 2022	-	909.12	909.12

e) Balances outstanding are as follows:

S.No.	Nature of transaction	As at	Key Managerial Personnel	Person with Interest by Key Managerial Personnel	Total
(i)	Payables	March 31, 2024	0.92	-	0.92
		March 31, 2023	0.85	15.82	16.67
		March 31, 2022	-	31.98	31.98
(ii)	Receivables	March 31, 2024	0.52	0.05	0.57
		March 31, 2023	0.37	0.20	0.57
		March 31, 2022	0.26	0.16	0.42

RESTATED CONSOLIDATED FINANCIAL STATEMENTS

41 Details of Accounting Ratios as per ICDR as Restated:

(Rs. In Lakhs except share and ratios data)

Particulars	For the year ended March 31,		
	2024	2023	2022
Restated Profit for the period/year(A)	33,847.71	4,549.09	2,928.09
Tax Expense (B)	773.09	2,687.67	1,657.27
Depreciation and amortization expense (C)	68.12	79.90	94.77
Interest Cost (D)	1,061.55	863.93	496.43
Weighted Average Number of Equity Shares at the end of the year (E) (Pre-Bonus)	1,00,45,41,370	1,00,00,00,000	50,00,00,000
Weighted Average Number of Equity Shares at the end of the year (E) (Post-Bonus)	1,01,31,91,753	1,00,00,00,000	1,00,00,00,000
Number of Equity Shares outstanding at the end of the Year/ period (F)	1,02,96,00,000	1,00,00,00,000	50,00,00,000
Nominal Value per Equity share (₹) (G)	1.00	1.00	1.00
Restated Net Worth of Equity Share Holders as per Statement of Assets and Liabilities (H)	53,772.21	14,346.92	9,822.83
Earnings Per Share - Basic (₹)	3.369	0.455	0.293
Earnings Per Share - Diluted (₹)	3.341		
Return on Net Worth (%)	62.95%	31.71%	29.81%
Net Asset Value Per Share (₹)	5.22	1.43	1.96
Earning before Interest, Tax and Depreciation and Amortization (EBITDA)	35,750.47	8,180.59	5,176.56

Notes -

1. Ratios have been calculated as below:

$$\text{Earnings Per Share (₹)} = \frac{A}{E}$$

$$\text{Return on Net Worth (%):} = \frac{A}{H}$$

$$\text{Net Asset Value per equity share (₹):} = \frac{H}{F}$$

2. Earning before Interest, Tax and Depreciation and Amortization (EBITDA): $A + (B+C+D)$

42 Share of subsidiary in Holding company's Net assets, Profit and loss, comprehensive income as at March 31, 2024

(₹ In Lakhs)

Name of the entity in the Group	Net Asset i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent	38.28%	20,585.81	2.23%	754.39	-	-	2.23%	754.39
Subsidiaries								
Foreign								
GROW AND GRUB NUTRIENTS FZ-LLC	61.72%	33,186.40	97.77%	33,093.32	-	-	97.77%	33,093.32
Total	100.00%	53,772.21	100.00%	33,847.71	-	-	100.00%	33,847.71

(₹ in Lakhs)

43 Capitalisation Statement as at March 31,
2024

Particulars	Pre Issue	Post Issue
Borrowings		
Current Borrowings (A)	3,192.93	-
Non-Current Borrowings (B)	890.93	-
Total Borrowings (C = A+B)	4,083.86	
Shareholders' funds		
Equity Share Capital (D)	10,296.00	-
Other Equity (E)	43,476.21	-
Total Equity (F = D+E)	53,772.21	
Non-Current Borrowings / Total Equity (G = B / F)	0.02	-
Total Borrowings / Total Equity (H = C / F)	0.08	-

Signatures to Annexures Forming Part Of The Restated Financial Statements

For and on behalf of the Board of Directors

sd/-

Hiteshkumar Gaurishankar Patel
(Managing Director)
(DIN: 05340865)

sd/-

Navinchandra Dahyalal Patel
(Director & CFO)
(DIN: 05340874)

sd/-

Place : Ahmedabad
Date : 13.08.2024Shivangi Digant Shah
(Company Secretary)

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

You should read the following discussion of our financial condition and results of operations as of and for the Financial Year ended March 31, 2024 together with our Restated Financial Information as of and for the Fiscals 2024, 2023 and 2022 all prepared in accordance with the Companies Act and Ind AS and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section titled "Financial Information" on page 116. Unless otherwise stated, the financial information used in this chapter is derived from the Restated Consolidated Financial Statements of our Company.

This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward-Looking Statements" on pages 16 and 11 respectively.

Our fiscal year ends on March 31 of each year, so all references to a particular "fiscal year" and "Fiscal" are to the twelve (12) month period ended March 31 of that fiscal year. References to the "Company", "we", "us" and "our" in this chapter refer to Orient Green Power Company Limited on a consolidated basis, as applicable in the relevant fiscal period, unless otherwise stated.

BUSINESS OVERVIEW

We are engaged in the business of processing and packaging of fast-moving consumer goods, such as Basmati rice and wheat and marketing and selling of pulses and salt. We are primarily involved in the business of processing and marketing of un-branded Basmati rice in the domestic market. We process and market different grades of Basmati rice of varies sizes, flavors and fragrance. We categorize our Basmati rice into three major categories, raw Basmati rice, sella Basmati rice and steam Basmati rice. Due to our longstanding market presence and quality products, we have been able to curate a presence in all our Basmati rice categories. We market and sell raw Basmati rice under the name "Pristino" and "Snowflake", sella Basmati rice under the name "Mahabat" and "Shahryar" and steam Basmati rice under the name "Jacinth" and "Jasper". In addition to Basmati rice, our Company has also forayed into procurement, storage, sorting, packaging and distribution of wheat pulses and edible salt through a third-party manufacturer. Our Company procures finished pulses and edible salt from third party manufacturer and markets and distributes them. We market and sell our wheat under the name "I♥Wheat". In addition to the above, our Company in the year 2022 launched a new product under the name "Mishtann Rock Salt", which is one of our organic products.

We have established a quality assurance and quality control team at our manufacturing unit to ensure the procurement of quality raw materials leading to higher yield on processing. Our dedicated quality assurance department ensures that our products meet our customer quality specifications and international certification requirements. Further, owing the efforts of our quality assurance and quality control team, we have received a certificate of registration from AQC Middle East LLC certifying that our food management system is compliant with the requirements of ISO 22000:2018.

We currently operate through our state of art manufacturing facility located in Sabarkantha District of Gujarat. Our manufacturing unit has the production capacity of 45 metric tonnes per hour to process Basmati rice. Our manufacturing facility is also capable of processing wheat, which is utilized as and when the market is buoyant. Our manufacturing unit is fully automated and therefore is "human touch free" facility where raw material is processed using the best in the class machinery and then packed as per the customer and regulatory specifications.

We have an experienced professional management team under the overall stewardship of Hiteshkumar Gaurishankar Patel, our Promoter and Chairman and Managing Director who has an experience of more than a decade in the agriculture and agro-commodity industry. Prior to joining our Company, Hiteshkumar Gaurishankar Patel was a partner in M/s. Ravi Trading Co., which was also engaged in the business of trading rice. He has been associated with our Company since February 24, 2015 and was promoted as the Managing Director of our Company with effect from August 28, 2017. He heads the marketing and administration divisions of our Company and is responsible for its day-to-day operations. Our Promoter was felicitated as the 'Economic Times Business Transformation Icon 2022' by the Time Group in recognition of his exceptional work and for being a business transformation leader in the field of fast-moving consumer goods. We also have a team of professionals to manage the core functional areas such as finance, procurement, manufacturing, logistics, sales and marketing, human

resources, and information technology.

The market capitalization (*full float*) of our Company as on March 31, 2024 was ₹1868.43 Crores on BSE. The Equity Shares of our Company have not been traded on MSEI for the preceding three years.

Our revenues from operations for the Financial Years ended on March 31, 2024 and March 31, 2023 and March 31, 2022 were ₹ 1,28,537.99 lakhs, 65,038.52 lakhs, ₹ 49,857.92 lakhs, respectively. Our EBITDA for the Financial Years ended on March 31, 2024 and March 31, 2023 and March 31, 2022 were ₹ 35,750.47, ₹ 8,180.59 lakhs and ₹ 5,176.56lakhs respectively. Our profit after tax for the Financial Years ended on March 31, 2024 and March 31, 2023 and March 31, 2022 were ₹ 33,847.71, ₹ 4,484.50 lakhs, ₹ 2,928.09 lakhs, respectively. For further details, please refer to the section titled “*Financial Information*” on page 116 of this Draft Letter of Offer.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF THE OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section entitled ‘*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:

- Any adverse changes in central or state government policies;
- Any adverse development that may affect our operations of our manufacturing unit;
- Any qualifications or other observations made by our statutory auditors which may affect our results of operations;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Our ability to successfully execute our expansion strategy in a timely manner.
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our reliance on third party suppliers for our products;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Loss of one or more of our key customers and/or suppliers;
- An increase in the productivity and overall efficiency of our competitors;
- Any adverse development that may affect the operations of our manufacturing unit;
- The performance of the financial markets in India and globally;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Subsidiary, Promoter and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Restated Financial Statements. For details of our significant accounting policies, please refer section titled “*Financial Information*” on page 116.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in chapter “*Financial Information*” on page 116, there has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

For details, see section titled “*Financial Information*” on page 116.

Principal components of our statement of profit and loss account Revenue

The following descriptions set forth information with respect to the key components of the Restated Financial Statements.

Total income

Our revenue comprises of:

Revenue from operations

Our revenue from operations is predominantly from domestic and export sales of rice.

Other Income

Other income comprises interest income, gains from foreign currency transaction.

Expenses

Our expenses primarily comprise cost of material consumed, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

Cost of material consumed/Manufacturing expense

Cost of material consumed include the expense incurred for manufacturing of the rice.

Employee benefit expenses

Employee benefit expense consists of salaries and wages, provident fund, gratuity expense and staff welfare expenses.

Finance cost

Finance cost comprises interest expenses on term loans, current borrowing, lease liabilities and other borrowing costs.

Depreciation and Amortization Expense

Depreciation and amortization expense comprises of depreciation/amortization on property, plant and equipment, office equipment, furniture & fixtures, vehicles, leasehold assets, computers, buildings, software, technical knowhow and other Intangible assets.

Other expenses

Other expense comprises power & fuel, Rent, Repairs and Maintenance – others, Insurance, loading and unloading expense, donation expense, Travelling and conveyance, printing and stationary, Sales commission, Sitting Fees, Legal and professional charges, Payments to auditors, Bank charges, and Miscellaneous expenses.

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or asset is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted as at the relevant balance sheet date.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, certain items from our Restated Financial Statements, in each case also stated as a percentage of our total income:

RESULTS OF OUR OPERATIONS

(Amount ₹ in lacs)

Particulars	For the year ended 31 st March, 2024	% of Total**	For the year ended 31 st March, 2023	% of Total**	For the year ended 31 st March, 2022	% of Total**
INCOME						
Revenue from Operations	1,28,537.99	100.00%	65,038.52	99.99%	49,857.92	99.99%
Other Income	5.94	0.00%	4.64	0.01%	3.61	0.01%
Total Revenue (A)	1,28,543.93	100.00%	65,043.16	100.00%	49,861.53	100.00%
EXPENDITURE						
Cost of material Consumed	74,415.90	57.89%	56,376.93	86.68%	44,298.04	88.84%
Manufacturing expenses	32.63	0.03%	56.72	0.09%	101.81	0.20%
Employee Benefit Expenses	273.47	0.21%	33.86	0.05%	39.64	0.08%
Finance Costs	1,075.65	0.84%	880.41	1.35%	520.40	1.04%
Depreciation and Amortization expense	68.18	0.05%	79.96	0.12%	94.83	0.19%
Other Expenses	18,057.30	14.05%	378.52	0.58%	221.45	0.44%
Total Expenses (B)	93,923.13	73.07%	57,806.40	88.87%	45,276.17	90.80%
Profit/(Loss) before Tax	34,620.80	26.93%	7,236.76	11.13%	4,585.36	9.20%
Tax Expense/ (benefit)						
(a) Current Tax Expense	772.79	0.60%	2,687.76	4.13%	1,658.47	3.33%
(b) Deferred Tax	0.30	0.00%	(0.09)	0.00%	(1.20)	0.00%
Net tax expense / (benefit)	773.09	0.60%	2687.67	4.13%	1657.27	3.32%
Profit/(Loss) for the year	33,847.71	26.33%	4,549.09	6.99%	2,928.09	5.87%

**Total refers to Total Revenue

Components of our Profit and Loss Account

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operation as a percentage of our total income was 100%, 99.99% and 99.99% for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively.

Other Income

It is the income earned from Interest received on deposits with banks and others along with fair value changes.

Expenditure

Our total expenditure primarily consists of cost of Material Consumed, Manufacturing Expenses, Employee benefit expenses, finance costs, Depreciation and Other Expenses.

Employee Benefit Expenses

Our employee benefits expense comprises of Salaries and wages, Director Remuneration.

Finance costs

Our Finance cost expenses comprises of Interest Expenses & other borrowing costs.

Other Expenses

Other expenses primarily include Annual Fees, CSR Contribution, Insurance Expenses, Legal and Professional Expenses, Loading and Unloading Expenses, Railway Rake freight expenses, Issue expenses, Website Maintenance Expenses, Rates and Taxes etc.

Tax Expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or asset is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted as at the relevant balance sheet date.

Fiscal 2024 compared with fiscal 2023

Revenue from Operations

The revenue from operations of our company for fiscal year 2024 was ₹ 1,28,537.99 lacs against ₹ 65,038.52 lacs revenue from operations for Fiscal year 2023. An increase of 97.63% in revenue from operations. This increase was due to the company stepping into new markets through a wholly owned subsidiary in the United Arab Emirates. The newer markets assisted the company is expanding its product delivery dynamics and thereby increase its topline in the fiscal 2024. The Company was also able to consolidate its presence through its Wholly Owned Subsidiary based in United Arab Emirates and thereby was able to sell higher quantity of its products. Overall, Fiscal 2024 was encouraging compared to Fiscal 2023.

Other Income

The other income of our company for fiscal year 2024 was ₹ 5.94 lacs against ₹ 4.64 lacs other income for Fiscal year 2023. An increase of 28.02% in other income. This increase was due to a higher interest receipt on fixed deposits of the company.

Total Income

The total income of our company for fiscal year 2024 was ₹1,28,543.93 lacs against ₹65,043.16 lacs total income for fiscal year 2023. An increase of 97.63% in total income. This increase was due to the company stepping into new markets through a wholly owned subsidiary in the United Arab Emirates. The newer markets assisted the company is expanding its product

delivery dynamics and thereby increase its topline in the fiscal 2024. The Company was also able to consolidate its presence through the WOS and thereby was able to sell higher quantity of its products. Overall, Fiscal 2024 was encouraging compared to Fiscal 2023.

Expenditure

Cost of Material Consumed

In fiscal 2024, our cost of material consumed were ₹ 74,415.90 lacs against ₹ 56,376.93 lacs cost of material consumed in fiscal 2023. An increase of 32%. This increase was due to higher level of inventory procured due to increase in top line of the company. The increase in such expenditure was primarily due to procurement of higher amount of inventory for sale

Manufacturing Expenses

In fiscal 2024, our direct expenses were ₹ 32.63 lacs against ₹ 56.72 lacs direct expenses in fiscal 2023. A decrease of 42.47%. This decrease was due to lower level of manufacturing activity in fiscal 24.

Employee Benefit Expenses

In fiscal 2024, our Company incurred for employee benefits expense ₹ 273.47 lacs against ₹ 33.86 lacs expenses in fiscal 2023. An increase of 707.65%. This increase was due to the company stepping into new markets through a wholly owned subsidiary in the United Arab Emirates. Employee costs in the WOS were higher and added to the total employee benefit expenses.

Finance Costs

The finance costs for the Fiscal 2024 was ₹ 1,075.65 lacs against ₹ 880.41 lacs in Fiscal 2023. An increase of 22.18%. This increase was due to the Company having to pay Rs. 629.85 lakhs as interest on delayed payment of taxes.

The Company remains vigilant in monitoring the interest rate environment and assessing its impact on financial costs. While the increase in finance cost represents a challenge, the Company continues to explore strategies to optimize funding sources and manage interest rate risk effectively. By adapting to changes in the financial landscape, the Company aims to maintain financial stability and sustain its operations in the long term.

Other Expenses

In fiscal 2024, our other expenses were ₹ 18,057.30 lacs against ₹ 378.52 lacs in fiscal 2023. An increase of 4,670.50%. This increase was due to the company stepping into new markets through a wholly owned subsidiary in the United Arab Emirates. The newer markets required assistance from brokers and commission agents for establishing a foothold in the new markets. Incurring of brokerage on sales of Rs. 17500.90 lacs led to an increase in other expenses.

Profit/ (Loss) before Tax

Our Company had reported a profit before tax for the Fiscal 2024 of ₹ 34,620.80 lacs against profit before tax of ₹7,236.76 lacs in Fiscal 2023. An increase of 378.40%. This increase was due to higher margins on sales made in new markets through a wholly owned subsidiary in the United Arab Emirates. The profitability in consolidated financials showed a remarkable increase thereby.

Profit/ (Loss) after Tax

Profit after tax for the Fiscal 2024 was at ₹ 33,847.71 lacs against profit after tax of ₹ 4,549.09 lacs in fiscal 2023. An increase of 644.05%. This increase was due to higher margins on sales made in new markets through a wholly owned subsidiary in the United Arab Emirates. The profitability in consolidated financials showed a remarkable increase thereby.

Fiscal 2023 compared with fiscal 2022

Revenue from Operations

The revenue from operations of our company for fiscal year 2023 was ₹ 65,038.52 lacs against ₹ 49,857.92 lacs revenue from

operations for Fiscal year 2022. An increase of 30.45% in revenue from operations. The increase in total revenue was primarily due to introduction of newer products, diversification of product portfolio and penetration into newer markets. The Company was also able to increase in presence in several existing markets and thereby was able to sell higher quantity of its products. Overall, Fiscal 2023 was encouraging compared to Fiscal 2022.

Other Income

The other income of our company for fiscal year 2023 was ₹ 4.64 lacs against ₹ 3.61 lacs other income for Fiscal year 2022. An increase of 28.53% in other income. The increase in other income was primarily due to the increase in interest income earned on fixed deposits of the company. Fixed deposits given as margin on Bank Guarantees and other statutory requirements are a part of Company's income earning funds.

Total Income

The total income of our company for fiscal year 2023 was ₹ 65,043.16 lacs against ₹ 49,861.53 lacs total income for fiscal year 2022. An increase of 30.45% in total income. The increase in total revenue was primarily due to introduction of newer products, diversification of product portfolio and penetration into newer markets. The Company was also able to increase in presence in several existing markets and thereby was able to sell higher quantity of its products. Overall, Fiscal 2023 was encouraging compared to Fiscal 2022.

Expenditure

Cost of Material Consumed

In fiscal 2023, our cost of material consumed were ₹ 56,376.93 lacs against ₹ 44,298.04 lacs cost of material consumed in fiscal 2022. An increase of 27.27%. The increase in such expenditure was primarily due to procurement of higher amount of inventory for sale. As enumerated above, in the fiscal 2023, due to introduction of newer products, diversification of product portfolio and penetration into newer markets, the Company was able to generate higher revenue. The Company was also able to increase in presence in several existing markets and thereby was able to sell higher quantity of its products.

Manufacturing Expenses

In fiscal 2023, our direct expenses were ₹ 56.72 lacs against ₹ 101.81 lacs direct expenses in fiscal 2022. Total reduction was 44.29% this was due to various factors. One significant contributing factor was the absence of repairs and maintenance expenses. The company's diligent management and cost-control measures have played a vital role in achieving this reduction in manufacturing expenses, ensuring operational efficiency and financial sustainability.

Employee Benefit Expenses

In fiscal 2023, our Company incurred for employee benefits expense ₹ 33.86 lacs against ₹ 39.64 lacs expenses in fiscal 2022. A decrease of 14.58%. The reduction was primarily due to several factors that contributed to improved cost management and operational efficiency.

Firstly, there was a further decrease in Director's Remuneration during Fiscal Year 2023.

These strategic changes in the Company's operations and marketing approach not only resulted in a reduction in employee benefit expenses but also allowed for streamlined processes and improved resource allocation. The Company's commitment to efficient cost management and aligning resources with market demands has contributed to this significant decrease in employee benefit expenses for the fiscal year.

Finance Costs

The finance costs for the Fiscal 2023 was ₹ 880.41 lacs against ₹ 520.40 lacs in Fiscal 2022. An increase of 69.18%. The increase in finance cost was primarily driven by the rise in the Prime Lending Rate (PLR) set by the Company's banker. As the PLR increased, it resulted in a higher cost of funds for the Company. This change in the lending rate directly affected the interest expenses incurred by the Company, leading to the observed increase in finance cost for the fiscal year.

The Company also had to pay Rs. 445.64 lakhs as interest on delayed payment of taxes.

The Company remains vigilant in monitoring the interest rate environment and assessing its impact on financial costs. While the increase in finance cost represents a challenge, the Company continues to explore strategies to optimize funding sources and manage interest rate risk effectively. By adapting to changes in the financial landscape, the Company aims to maintain financial stability and sustain its operations in the long term.

Other Expenses

In fiscal 2023, our other expenses were ₹ 378.52 lacs against ₹ 221.45 lacs in fiscal 2022. An increase of 70.93%. The increase

is primarily due to Company's contribution towards its Corporate Social Responsibility (CSR) obligations as per regulatory requirements and certain legal and professional expenses incurred for the Rights issue.

Profit/ (Loss) before Tax

Our Company had reported a profit before tax for the Fiscal 2023 of ₹ 7,236.76 lacs against profit before tax of ₹ 4,585.36 lacs in Fiscal 2022. An increase of 57.82%. The Company was able to achieve a higher topline and higher profit margins due to the factor enumerated above

Profit/ (Loss) after Tax

Profit after tax for the Fiscal 2023 was at ₹ 4,549.09 lacs against profit after tax of ₹ 2928.09 lacs in 2022. An increase of 55.36%. The Company was able to achieve a higher topline and higher profit margins due to the factor enumerated above

Cash Flows

(Amount ₹ in lacs)

Particulars	For the year ended March 31,		
	2024	2023	2022
Net Cash from Operating Activities	(3,724.56)	(1,466.64)	1,711.72
Net Cash from Investing Activities	3.73	(1.07)	0.68
Net Cash used in Financing Activities	3,672.97	1,448.19	(1,693.10)
Net increase in cash and cash equivalents (A+B+C)	(47.86)	(19.52)	19.30
Cash and cash equivalents at the beginning of the year	4.60	24.12	4.82
Exchange difference on translation of foreign subsidiary	93.08	-	-
Cash and cash equivalents at the end of the period	49.82	4.60	24.12

Cash Flows from Operating Activities

Net cash from operating activities for the year ended 31st March 2024, was ₹ (3,724.56) lacs as compared to the Profit Before Tax at ₹ 34,620.80 lacs. Net cash from operating activities for fiscal 2023 was at ₹ 1,466.64 lacs as compared to the Profit Before Tax at ₹ 7,236.76 lacs while for fiscal 2021, net cash from operating activities was at ₹ 1,711.72 lacs as compared to the Profit Before Tax at ₹ 4,585.36 lacs.

Cash Flows from Investment Activities

Net cash from investing activities for the year ended 31st March 2024 was ₹ 3.73 lacs due to increase in interest on fixed deposit in Fiscal 2024. Net cash flow from investing activities for fiscal 2023 was at ₹ (1.07) lacs due to purchase of plant & equipment of Rs. 5.71 lacs. While for fiscal 2022, net cash flow from investing activities was at ₹ 0.68 lacs. This was predominantly on account of inflow in the form of interest on fixed deposits of the Company.

Cash Flows from Financing Activities

Net cashflow from financing activities for the year ended 31st March 2024 was ₹ 3,672.97 lacs due to proceeds received from rights issue of shares..Net cash from financing activities for fiscal 2023 was at ₹ 1,448.19 lacs due to higher repayment of borrowings. while for fiscal 2022, net cash from financing activities was at ₹ (1,693.10) lacs. This was on predominantly account The primary contributors to this net cash outflow are the decrease in short-term advances (specifically the Cash Credit), and interest serviced during this period. These factors collectively impacted our financing activities and resulted in a net cash outflow.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Draft Letter of Offer, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing Operations

Other than as described in the Section titled "Financial Information" and chapter titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations", beginning on Page 116 and 164 respectively of this Draft Letter of Offer, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations

Other than as described in the chapter titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Conditions and Result of Operations”, beginning on Page 16 and 164 respectively of this Draft Letter of Offer, best to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4. Future relationship between Costs and Income

Other than as described in the chapter titled “Risk Factors” beginning on Page 16 of this Draft Letter of Offer, best to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5. Competition Conditions

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitors who have been discussed in section titles “Business Overview” beginning on page no. 87 of this Draft Letter of Offer.

MARKET PRICE INFORMATION

Our Company's Equity Shares have been listed and actively being traded on BSE from January 22, 2016. Our Company's Equity Shares are also listed on Metropolitan Stock Exchange of India Limited, however, there has been no trading activity involving our Equity Shares on MSEI for the past three Financial Years.

- Year is a Financial Year;
- 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;
- 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
- 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 market closing prices recorded on the Stock Exchanges during the last three years and the number of Equity Shares traded on these days are stated below:

a) BSE Limited

Financial Year	High (₹)	Date of high	No. of shares traded on date of high	Total volume traded on date of high (in ₹)	Low (₹)	Date of low	No. of shares traded on date of low	Total volume of traded on date of low (in ₹)	Average price for the year (₹)
2024	26.50	06-02-2024	5,79,70,203	1,40,66,30,799	7.09	25-05-2023	77,47,385	5,86,08,348	15.35
2023	30.95	21-04-21	31,42,364	9,39,71,201	7.15	28-03-23	17,59,906	1,29,41,251	11.84
2022	39.1	24-01-22	2,42,489	89,74,692	3.88	03-05-21	4,59,486	19,34,746	17.25

(Source: www.bseindia.com)

Notes:

High, low and average prices are based on the daily closing prices.

In case of two days with the same high or low price, the date with the high volume has been considered.

In the event the high or low or closing price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

The Board of our Company has approved the Issue at their meeting held on 06th June, 2024. The high and low prices of our Company's shares as quoted on the BSE on January 04, 2024, the day on which the trading happened immediately following the date of the Board meeting is as follows:

Date	Volume (No of equity Shares)	Highest Price (₹)	Low price (₹)
BSE			
January 04, 2024	8,08,80,467	16.98	16.68

Source: www.bseindia.com

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal proceedings involving our Company, Directors, Promoter or Subsidiary; (ii) actions by any statutory or regulatory authorities involving our Company, Directors, Promoter or Subsidiary ; or (iii) claim involving our Company, Directors Promoter or Subsidiary for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved), (iv) proceeding involving our Company, Directors, Promoter or Subsidiary (other than proceedings covered under (i) to (iii) above) which has been determined to be “material” pursuant to our Company’s ‘Policy on determination of materiality of events’ framed in accordance with Regulation 30 of the SEBI Listing Regulations (“Materiality Policy”).

In terms of the Materiality Policy, other than outstanding criminal proceedings, actions taken by any statutory or regulatory authority and claims for any direct or indirect tax liabilities mentioned in point (i) to (iii) above, all other pending litigation:

- A. *involving our Company and our Subsidiary (“Relevant Parties”):*
- i. *where the aggregate monetary claim made by or against the Relevant Parties, in any pending civil litigation proceeding exceeds the lower of the following: (i) two percent of turnover, as per the Restated Financial Statements for the last Fiscal; (ii) two percent of net worth, as per the Restated Financial Statements for the last Fiscal, except in case the arithmetic value of the net worth is negative; and (iii) five percent of the average of absolute value of profit or loss after tax, as per the last three fiscals as per the Restated Financial Statements, shall be considered material and will be disclosed in the Offer Documents. Five percent of the average of absolute value of profit or loss after tax, as per the last three fiscals as per the Restated Financial Statements has been considered material and the same aggregated to ₹688.75 lakhs. Accordingly, all outstanding civil litigation proceedings where the aggregate monetary claim made by or against the Relevant Parties, in any such pending litigation proceeding is in excess of ₹688.75 lakhs shall be considered material; and*
 - ii. *where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could, nonetheless may have a material adverse effect on the position, business, operations, prospects or reputation of our Company will be considered “material” and will be disclosed in the Offer Documents.*
- B. *involving our Directors and our Promoter (individually or in aggregate), the outcome of which would materially and adversely affect the business, operations, prospects, financial position or reputation of our Company, irrespective of the amount involved, has been considered as material.*

Further, except as disclosed in this section, there are no disciplinary action taken against any of our Promoter by SEBI or the Stock Exchanges in the five Fiscals preceding the date of this Draft Letter of Offer.

Further, in accordance with the materiality threshold approved by the Rights Issue Committee in its meeting held on June 06, 2024, a creditor of our Company, shall be considered to be material creditor (except banks and financial institutions from whom our Company has availed financing facilities) for the purpose of disclosure in the offer documents, if amounts due to such creditor exceeds 10 per cent of the total trade payables of our Company as per the most recently completed Fiscal as per the Restated Financial Information. Accordingly, we have disclosed consolidated information of outstanding dues owed to any creditors of our Company, separately giving details of number of cases and amount for all dues where each of the dues exceed ₹ 25.21 lakhs (being approximately 10% of total trade payables of our Company as at March 31, 2024 as per the Restated Financial Information) (“Material Dues”). Further, in accordance with the aforementioned materiality threshold for the disclosure of the outstanding dues to any party which is a micro, small or a medium enterprise (“MSME”) will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.

Unless stated to the contrary, the information provided in this section is as of the date of this Draft Letter of Offer. All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

LITIGATION INVOLVING OUR COMPANY

Litigation against our Company

1. Criminal Proceedings

The Central Goods and Services Tax, Commissionerate, Gandhinagar (“Commissionerate”) had initiated investigation against our Company and our Promoter Hiteshkumar Gaurishankar Patel by conducting

simultaneous inspection under Section 67(1) of the CGST Act, 2017 at our factory and Registered Office. Pursuant to the inspections, it was alleged that the Commissionerate gathered evidence regarding supply of 'Basmati rice' of various quality/grades by our Company without payment of applicable GST by wrongly availing the exemption provided under the Notification. No 02/2017 & 28/2017-CT (Rate) dated June 28, 2017 and September 22, 2017. It was further alleged that our Company and our Promoter had effected supplies worth ₹ 1,44,706 lakhs of Basmati rice during the period from July 1, 2017 to February 28, 2021, without payment of applicable GST by wrongly availing the exemption provided under the Notification. No 02/2017 & 28/2017-CT (Rate) dated June 28, 2017 and September 22, 2017. Pursuant to the investigation, the Commissionerate alleged that our Company and our Promoter have contravened, (i) the provisions of sub-section (1) of Section 31 of the CGST Act, 2017 by not issuing a tax invoice as the good sold attracted GST @ 5% in terms of the circulars issued under the CGST Act, 2017; (ii) the provisions of sub-section of Section 33 of the CGST Act, 2017, as our Company and our Promoter failed to indicate the amount of tax in the invoice or any other documents; (iii) the provisions of Section 39 of the CGST Act, 2017, as our Company and our Promoter failed to furnish a correct return of goods supplied and tax payable thereon; (iv) provision of Section 59 of the CGST Act, 2017, as our Company and our Promoter failed to self-assess the taxes payable and furnish a return for the same; (v) provisions of Rule 138 of the CGST Rules, 2017 for clearing the taxable goods without generation of E-way Bills; and (vi) provisions of Section 701 of the CGST Act, 2017 as our Promoter allegedly failed to comply with summons issued to appear for statement and to submit the required details and documents. It was further alleged that by contravening with the aforementioned provisions, our Company and our Promoter evaded GST to the tune of ₹ 7,235 lakhs @ 5% on total clearance value of goods of ₹ 1,44,706 lakhs from FY 2017-2018 to FY 2020-21. Pursuant to the above, the Commissionerate arrested our Promoter under Section 132(1)(a) of the CGST Act, 2017 and a criminal complaint was filed by Superintendent, Central GST & Central Excise, Gandhinagar against our Company and our Promoter Hiteshkumar Gaurishankar Patel before the Additional Chief Metropolitan Magistrate, Ahmedabad under Sections 132 and 137 of the CGST Act/ GGST Act, 2017. The Superintendent, Central GST & Central Excise in its criminal complaint has prayed the Hon'ble Court to take cognizance of the offenses in terms of Section 132(1)(a) read with Section 137(1) read with Section 137(2) of the Central Goods and Services Tax Act, 2017/Gujarat GST Act, 2017. Our Promoter has been released on bail and the matter is currently pending. Moreover, show cause has been issued by CGST wherein they contend that the Company is not paying GST on their supplies by falsely availing the exemption provided under Notification No. 02/2017 & 28/2017 – CT (Rate) dated 28.06.2017 and 22.09.2017. The Company disagrees with the Show Cause Notice. The matter pertains to interpretation of applicability of GST and not evasion of GST. The company will contest the SCN and we are hopeful that we will be able to convince the authorities that the demand is not bearing upon us. The appellate route is not exhaustive and has many stages, which will take reasonable time to be disposed of. As on date we do not foresee any reason for which the SCN presents a legally binding demand. We also do not foresee any bearing upon the financials of MFL as the demand is not concrete.

2. Actions taken by Statutory/Regulatory Authorities

- a) A complaint dated August 15, 2022 was filed by Rameshbhai Laxmanbhai Patel (the “**Complainant**” and the complaint hereinafter referred to as the “**Complaint**”) against our Company before SEBI alleging that *inter alia*, (i) the shareholders of our Company are fictitious in nature and do not hold a valid permanent account number; (ii) our Company has availed a fraudulent cash credit loan from the State Bank of India; (iii) during a search conducted by the regulatory authorities under the Central Goods and Services Tax Act, 2017, our Promoter, Chairman and Managing Director, Hiteshkumar Gaurishankar Patel, was arrested on July 19, 2022 and our Company failed to inform the Stock Exchanges about the same; (iv) the manufacturing unit of our Company is closed since inception and that our Company is creating fictitious turnover through circular trading; (v) the actual electricity consumption during the Financial Year 2017-18, 2018-19 and 2019-20 is very low as compared to the disclosures made in the annual reports; and (vi) certain public shareholders are relatives of our Directors and therefore the same is not in compliance with the applicable regulations. In addition to the Complaint, our Company also received certain queries from BSE *vide* its emails dated October 21, 2022, November 9, 2022, November 11, 2022, February 1, 2023 and February 2, 2023. Our Company replied to the Complaint and the emails received from BSE Limited *vide* our letters dated November 9, 2022, November 10, 2022, November 15, 2022, November 16, 2022, January 16, 2023, February 1, 2023 and February 17, 2023, refuting the allegations levied by the Complainant and furnishing the documents and clarifications sought by BSE. While, our Company has not received any further correspondence from SEBI or BSE in this regard, however the matter is currently pending.
- b) Our Company has received a letter dated April 26, 2023 bearing number SEBI/HO/CFI D/SEC-4/OW /P/2023/17095/1 (“**Letter**”) from the Assistant General Manager, Corporation Finance Investigation Department, Securities and Exchange Board of India (“**AGM**”) in respect of an investigation initiated against our Company. The AGM in the Letter had sought certain documents and details relating to the related party transactions undertaken by our Company in the preceding five years. Our Company has *vide* an email dated May 4, 2023 replied to the Letter and has also provided the

documents sought by the AGM. While, our Company has not received any further correspondence from SEBI in this regard, however the matter is currently pending.

1. Tax Proceedings

Below are the details of pending tax cases involving our Company, specifying the number of cases pending and the total amount involved:

(₹ in lakhs)

Particulars	Number of cases	Amount involved*
Indirect Tax		
Sales Tax/VAT/ GST	1	10,342.19
Central Excise and Customs	Nil	Nil
Service Tax	Nil	Nil
Total	Nil	Nil
Direct Tax		
Cases filed against the Company	Nil	Nil
Cases filed by the Company	1	11,202.86
Total	2	21,545.05

*To the extent quantifiable

2. Other Material Litigations

- a) Ramkishore Boob (“**Applicant**”) filed an application against our Company under Section 58(4) of the Companies Act, 2013 before the National Company Law Tribunal, Ahmedabad (“**Hon’ble Tribunal**”) (“**Application**”), stating and alleging that he and his father held 4,100 equity shares of ₹ 10 each in HicsCement Limited (now named as Mishtann Foods Limited). Further, over a period of time, the equity shares were split as 1:10 and therefore 4,100 equity shares allegedly held by the Applicant and his father were split into 41,000 equity shares of ₹ 1 each. Upon the death of the Applicant’s father, the Applicant made an application of transmission of the aforementioned shares in his sole name. The Applicant alleged that the said application has not been resolved by our Company. The Applicant *vide* the Application has prayed the Hon’ble Tribunal to pass an order directing our Company to *inter alia*, (i) transmit the aforementioned equity shares in the name of the Applicant; (ii) restore all benefits incidental to such equity shares in favour of the Applicant; and (iii) set aside all previous and restrict future transfers, pledge or hypothecation. The Applicant has also sought an amount of ₹ 5.00 lakhs as monetary compensation. The matter is currently pending.
- b) Shardadevi Boob (“**Applicant**”) filed an application against our Company under Sections 59 and 58(4) of the Companies Act, 2013 before the National Company Law Tribunal, Ahmedabad (“**Hon’ble Tribunal**”) (“**Application**”), stating and alleging that she had purchased 3,800 equity shares of ₹ 10 each in Hics Cement Limited (now named as Mishtann Foods Limited) in the years 1997 and 1998. Further, over a period of time, the equity shares were split as 1:10 and therefore 3,800 equity shares allegedly held by the Applicant were split into 38,000 equity shares of ₹ 1 each. The Applicant applied to our Company for dematerialization of her shareholding, to which our Company replied stating that it cannot corroborate her shareholding and cannot establish that she was a shareholder of our Company at any time. The Applicant *vide* the Application has prayed the Hon’ble Tribunal to pass an order directing our Company to *inter alia*, (i) transmit the aforementioned equity shares in the name of the Applicant; (ii) restore all benefits incidental to such equity shares in favour of the Applicant; and (iii) set aside all previous and restrict future transfers, pledge or hypothecation. The Applicant has also sought an amount of ₹ 5.00 lakhs as monetary compensation. The matter is currently pending.
- c) Shardadevi Boob (“**Applicant**”) filed an application against our Company under Section 58(4) of the Companies Act, 2013 before the National Company Law Tribunal, Ahmedabad (“**Hon’ble Tribunal**”) (“**Application**”), stating and alleging that she and her father collectively held 6,200 equity shares of ₹ 10 each in Hics Cement Limited (now named as Mishtann Foods Limited). Further, over a period of time, the equity shares were split as 1:10 and therefore 6,200 equity shares allegedly held by the Applicant and his father were split into 62,000 equity shares of ₹ 1 each. Upon the death of the Applicant’s father-in-law, the Applicant made an application of transmission of the aforementioned shares in her sole name, our Company replied stating that it cannot corroborate her shareholding and cannot establish that she was a shareholder of our Company at any time. The Applicant *vide* the Application has prayed the Hon’ble Tribunal to pass an order directing our Company to *inter alia*, (i) transmit the aforementioned equity shares in the name of the Applicant; (ii) restore all benefits incidental to such equity shares in favour of the Applicant; and (iii) set aside all previous and restrict future transfers, pledge or hypothecation. The Applicant has also sought an amount of ₹ 5.00 lakhs as monetary compensation. The matter is currently pending.
- d) Bharati Praful Bharmakshatriya (“**Applicant**”) filed an application against our Company under Section 58(4) of the Companies Act, 2013 before the (“**Hon’ble Tribunal**”) (“**Application**”), stating and alleging that he and his wife held 1,000 equity shares of ₹ 10 each in Hics Cement Limited (now named as Mishtann Foods Limited). Further, over a period of time, the equity shares were split as 1:10 and therefore 1,000 equity shares allegedly held by the Applicant and his father were split into 10,000 equity shares of ₹ 1 each. The Applicant applied for a change in name on the share certificates from Hics Cement Limited to Mishtann Foods Limited and approached our Company for issuance of new share certificates, our Company

replied stating that it cannot corroborate their shareholding and cannot establish that they were a shareholder of our Company at any time, as the folio number on the share certificate of the Applicant did not match with the folio number as per the records of our Company. The Applicant *vide* the Application has prayed the Hon'ble Tribunal to pass an order directing our Company to *inter alia*, (i) transmit the aforementioned equity shares in the name of the Applicant; (ii) restore all benefits incidental to such equity shares in favour of the Applicant; and (iii) set aside all previous and restrict future transfers, pledge or hypothecation. The Applicant has also sought an amount of ₹ 5.00 lakhs as monetary compensation. The matter is currently pending.

- e) Shailesh Duggappa Sanil (“**Applicant**”) filed an application against our Company under Section 59 of the Companies Act, 2013 before the National Company Law Tribunal, Ahmedabad (“**Hon’ble Tribunal**”) (“**Application**”), stating and alleging that he held 5,000 equity shares of ₹ 10 each in Hics Cement Limited (now named as Mishtann Foods Limited). Further, over a period of time, the equity shares were split as 1:10 and therefore 5,000 equity shares allegedly held by the Applicant split into 50,000 equity shares of ₹ 1 each. The Applicant applied for a change in name on the share certificates from Hics Cement Limited to Mishtann Foods Limited and approached our Company for issuance of new share certificates, our Company replied stating that it cannot corroborate his shareholding and cannot establish that he was a shareholder of our Company at any time, as the folio number on the share certificate of the Applicant did not match with the folio number as per the records of our Company. The Applicant *vide* the Application has prayed the Hon’ble Tribunal to pass an order directing our Company to *inter alia*, (i) issue 50,000 equity shares of ₹ 1 each of ‘Mishtann Foods Limited’ to the Applicant; (ii) restore all benefits incidental to such equity shares in favour of the Applicant; and (iii) set aside all previous and restrict future transfers, pledge or hypothecation. The Applicant has also sought an amount of ₹ 1.00 lakhs as monetary compensation. The matter is currently pending.

3. *Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals*

- a) The Securities and Exchange Board of India (“**SEBI**”) issued a notice dated February 3, 2015 to our Company and our *erstwhile* Directors, namely, Ketan Kantilal Khimani, Kantilal Jagjivan Khimani and Prashant Kantilal Khimani, on account of failure on part of our Company to redress investor complaints pending against our Company on the SCORES portal. Our Company replied to the notice dated January 17, 2020 stating that all the pending investor complaints against our Company have been resolved. Subsequently, a whole-time member of SEBI passed an order dated February 20, 2020 (“**Order**”) stating that there are certain complaints which are still pending for resolution and therefore directed our Company to take urgent steps to resolve those pending complaints and file a satisfaction report to SEBI within a period of 45 days.

Thereafter, a show cause notice dated October 16, 2020 was issued to our Company by SEBI alleging that our Company failed to submit any updated reply in SCORES for the pending investor grievances within 45 days from the date of the Order and that thirteen unresolved investor complaints were pending against our Company as on July 27, 2020. Thereafter an Adjudicating Officer appointed by SEBI (“**AO**”) passed an order dated November 27, 2020 wherein a charge of non-compliance of the directions issued *vide* the Order was established against our Company and pursuant to the said order, the AO imposed a penalty of ₹ 15.00 lakhs on our Company. Our Company has made a payment of ₹ 15.00 lakhs towards the order dated November 27, 2020 passed by the AO on January 7, 2021.

- b) Our Company received a warning letter dated February 20, 2023 from BSE Limited on account of non-disclosure of material event under Regulation 30 of SEBI Listing Regulations, which involved arrest of our Promoter, Managing Director and Chief Executive Officer, Hiteshkumar Gaurishankar Patel. The arrest took place on July 19, 2022 which warranted immediate disclosure under Regulation 30 of Listing Regulations, however, our Company submitted the said disclosure on January 06, 2023.
- c) Our Company has received a warning letter dated May 31, 2023 bearing number SEBI/HO/CFD/SEC-II/OW/P/2023/22300/1 from SEBI in respect of the delay of one hundred and seventy days caused by our Company in intimating the arrest of our Promoter and Managing Director, Hiteshkumar Gaurishankar Patel to the Stock Exchanges under Regulation 30 of the SEBI Listing Regulations. SEBI in its letter informed our Company that the aforementioned non-compliance has been viewed seriously and warned our Company to comply with all applicable provisions of SEBI Regulations and that any aberrations in future would be viewed seriously and appropriate action would be initiated.
- d) The following fines/ penalties have been levied by BSE Limited and Metropolitan Stock Exchange of India Limited, on account of failure of our Company to comply with certain provisions of the SEBI Listing Regulations:

S. No.	Quarter ending	Nature of non-compliance	Amount of penalty/ fine	Date of payment
1.	December 31, 2019	Regulation 27(2) Non-submission of the Corporate governance compliance report within the period provided under this regulation	The penalty was waived off	-

S. No.	Quarter ending	Nature of non-compliance	Amount of penalty/ fine	Date of payment
		Regulation 17(1) Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director	BSE Limited: 5,31,000 Metropolitan Stock Exchange of India Limited: 2,59,600	February 15, 2020 August 7, 2020
		Regulation 18(1) Non-compliance with the requirement of constitution of audit committee	The penalty was waived off	-
		Regulation 19(1)/ 19(2) Non-compliance with therequirement of constitution of nomination and remuneration committee	The penalty was waived off	-
		Regulation 20(2) Non-compliance with therequirement of constitution of stakeholder relationship committee	The penalty was waived off	-
		Regulation 21(2) Non-compliance with the constitution of risk management committee	The penalty was waived off	-
2.	June 30, 2020	Regulation 13 (1) of SEBI Listing Regulations	27,140	March 24, 2021
3.	September 30, 2020	Regulation 13 (1) of SEBI Listing Regulations	1,08,560	March 24, 2021
4.	December 31, 2020	Regulation 13 (1) of SEBI Listing Regulations	1,08,560	March 24, 2021
		Regulation 13 (1) of SEBI Listing Regulations	15,340	
5.	Period of December 10, 2020 to January 10, 2021	Regulation 13 (1) of SEBI Listing Regulations	8,260	March 24, 2021
6.	June 30, 2022	Regulation 6(1) Non-compliance with requirement to appoint a qualified companysecretary as the compliance officer	The penalty was waived off	-
		Regulation 7(1) Non-compliance with requirementto appoint share transfer agent	The penalty was waived off	-
		Regulation 76 of SEBI(Depositories & Participants)Regulation, 2018 Non-submission of Reconciliation of share Capital audit Report.	The penalty was waived off	-
		Regulation 17(1) Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director	The penalty was waived off	-
		Regulation 17(1A) Non-compliance with the requirements pertaining to appointment or continuation of	The penalty was waived off	-
		Non-executive director who has attained the age of seventy-fiveyears		
		Regulation 17(2) Non-compliance with the requirements pertaining to thenumber of Board meetings	The penalty was waived off	-
		Regulation 17(2A) Non-compliance with the requirements pertaining to quorum of Board meetings.	The penalty was waived off	-

S. No.	Quarter ending	Nature of non-compliance	Amount of penalty/ fine	Date of payment
		Regulation 18(1) Non-compliance with the constitution of audit committee	The penalty was waived off	-
		Regulation 19(1)/ 19(2) Non-compliance with the constitution of nomination and remuneration committee	The penalty was waived off	-
		Regulation 20(2)/(2A) Non-compliance with the constitution of stakeholder relationship committee	The penalty was waived off	-
		Regulation 21(2) Non-compliance with the constitution of risk management committee	BSE Limited: 2,14,760	October 05, 2023
		Regulation 27(2) Non-submission of the Corporate governance compliance report within the period provided under this regulation	The penalty was waived off	-
7.	September 30, 2022	Late submission under Regulation 23 (9) of the SEBI Listing Regulations	35,400	October 05, 2023
8.	September 30, 2022	Late submission under Regulation 13 (3) of the SEBI Listing Regulations	9,440	October 05, 2023
8.	Period from period September 11, 2022 to October 10, 2022	Regulation 13 (1) of SEBI Listing Regulations	18,360	November 15, 2022
9.	Period from period October 11, 2022 to November 10, 2022	Regulation 13 (1) of SEBI Listing Regulations	49,680	November 15, 2022
10.	Financial Year ended March 31, 2023	Regulation 24A of SEBI Listing Regulations	4,720	July 25, 2023
11.	June 30, 2023	Regulation 17(2) of SEBI Listing Regulations	11,800	September 16, 2023
12.	September 30, 2023	Regulation 33 of SEBI Listing Regulations	2,77,300	January 11, 2024
Total			16,79,920	

Litigation by our Company

1. Criminal Proceedings

- a) A criminal case was filed by our Company before the Hon'ble court of Additional Chief Metropolitan Magistrate at

Ahmedabad against M/s. Vishaka Trading and its official signatory K Jhansi Lakshmi (the “**Accused**”) under Section 138 of the Negotiable Instrument Act, 1881 for dishonour of cheque issued by the Accused to our Company for payment of consideration for goods supplied aggregating to ₹ 20.53 lakhs. The Hon’ble Additional Chief Metropolitan Magistrate has issued process against the Accused. Presently, the criminal case is still pending before the Hon’ble court of Additional Chief Metropolitan Magistrate.

- b) Two criminal cases were filed by our Company and our Promoter, Hiteshkumar Gaurishankar Patel before the Hon’ble court of Additional Chief Judicial Magistrate at Ahmedabad against Vijaybhai Rameshbhai Patel and Ataz Foods Private Limited (the “**Accused**”) under Section 138 of the Negotiable Instrument Act, 1881 for dishonour of cheque issued by the Accused of an amount of ₹ 10.47 lakhs to our Company for reimbursement of the payment which was made by our Company for purchase of wheat from the Accused, on account of failure of the Accused to deliver the goods. Presently, the criminal case is still pending before the Hon’ble court of Additional Chief Judicial Magistrate.

2. *Civil and other Material Litigations*

Our Company and our Promoter have filed a special civil application (“**Application**”) before the Hon’ble High Court of Gujarat at Ahmedabad against Union of India, Superintendent (Prev.) Gandhinagar Preventive Section, Central GST & Central Excise and others (“**Respondents**”) under Article 226 of the Constitution of India challenging the inspections dated February 19, 2021 and April 20, 2022 authorized by the Respondents under Section 67(1) of CGST Act, 2017 and multiple summons issued by the Respondents between February 19, 2021 to April 22, 2022 under section 70 of the CGST Act, 2017. Our Company and our Promoter filed the Application alleging that the Respondents while inquiring with the officials of our Company and while conducting inspections at the premises of our Company violated *inter alia*, (a) the manual issued by Directorate General of GST Intelligence by issuing multiple summons and inquiring with the officials of our Company beyond office hours. Further, the summons were issued by the Respondents without considering the relevant documents and information which was handed over to the Respondents and without recording any statement of our Promoter and the officials of our Company; (b) Section 67 of the CGST Act, 2017 by seizing a large number of documents as well as huge data in pen drive of our Company and issuing an order of seizure dated February 19, 2021, in violation of Section 67 of the CGST Act, 2017. Further Section 67(1) of the CGST Act, 2017 was violated by the Respondents by passing an order of prohibition dated April 21, 2022 under section 67(2) of the CGST Act, 2017 in respect of huge amount of stock which was perishable in nature valued at ₹ 2.40 crores, without any authorization under section 67(1) of the CGST Act, 2017. Our Company and our Promoter have also alleged that the Respondents subjected our Promoter through mental and physical abuse during the investigation by using abusive language, asking for huge amount of bribes and by forcing our Promoter to sit for long hours in the office of the Respondents without recording statements. Our Company and our Promoter by way of the Application have prayed the Hon’ble High Court of Gujarat to *inter alia*, (a) issue a writ of certiorari/ mandamus against the Respondents by declaring that while authorization is granted under sub-section (1) of section 67 of CGST Act, 2017 for inspection, it is not permissible in law, under such authorization to exercise the power under sub-section (2) of section 67 of the CGST Act, 2017 and to pass order of seizure or order of Prohibition and power so exercised by the Respondent; (b) pass an order quashing and setting-aside the order of seizure dated April 21, 2022 passed by the Respondent for taking away records and details in pen drive as well as the order of prohibition dated April 21, 2022 passed by the Respondent in respect of the stock of our Company; (c) pass an order quashing and setting-aside the summons issued by the Respondents as well as the proceedings initiated by the Respondents against our Company and our Promoter; (d) issue a writ of prohibition directing the Respondents, their officers, employees to stay the proceedings against our Company and our Promoter and to restrain the Respondents or their officers or employees or agents for taking any coercive actions against our Company and our Promoter during the pendency of the Application. The matter is currently pending for adjudication.

LITIGATION INVOLVING OUR PROMOTER

Cases filed against our Promoter

1. *Criminal Proceedings*

- a) A first information report bearing number 11209016200 was filed by Sachinbhai Mahendrabhai Patel (“**Complainant**”) against our Promoter and Managing Director, Hiteshbhai Gaurishankar Patel and others (“**Accused**”) under Sections 420, 406, 465, 467, 471 and 120B of the Indian Penal Code, 1860 (“**Complaint**”) alleging that the Accused incorporated companies in the name of the Complainant, opened accounts and kept cheque books in the name of the Complainant, out of the knowledge of the Complainant. The Complainant also alleged that the Accused forged signature of the Complainant on the cheques and filed false cases under Section 138 of the Negotiable Instruments Act, 1881 against the Complainant worth about ₹ 20 crores based on forged and falsified documents. The matter is currently pending.
- b) A first information report bearing number 1/360/2018 was filed by Ramkishor Ram (“**Complainant**”) was filed against our Director and Promoter, Hiteshbhai Gaurishankar Patel and others (“**Accused**”) under Sections 406, 420, 467, 468 and 471 of the Indian Penal Code, 1860 (“**Complaint**”) alleging that an application was made to the Company Secretary of Mishtann Foods Limited by Farishri for transferring 2,300 Equity Shares in the name of Farishri’s wife Shardadevi. The Complainant

alleged that the Directors of above company and the Registrar and Share Transfer Agents together forged signatures of Farishri and transferred the aforementioned 2,300 Equity Shares in the name of their other accomplice. The matter is currently pending.

Please refer to “*Litigation involving our Company - Litigation against our Company- Criminal Proceedings*” on page 175.

2. *Actions taken by Statutory/Regulatory Authorities*

Nil

3. *Tax Proceedings*

Below are the details of pending tax cases involving our Promoter, specifying the number of cases pending and the total amount involved:

(₹ in lakhs)

Particulars	Number of cases	Amount involved*
Indirect Tax		
Sales Tax/VAT	Nil	Nil
Central Excise	Nil	Nil
Customs	Nil	Nil
Service Tax	Nil	Nil
Total	Nil	Nil
Direct Tax		
Cases filed against our Promoter	Nil	Nil
Cases filed by our Promoter	Nil	Nil
Total	Nil	Nil
Total	Nil	Nil

*To the extent quantifiable

4. *Other Material Litigations*

Nil

5. *Disciplinary action against our Promoter by SEBI or any stock exchange in the last five Fiscals*

Nil

Cases filed by our Promoter

1. *Criminal Proceedings*

- a) Our Promoter filed a first information report under Sections 120, 406, 420, 467, 468 and 471 of the Indian Penal Code, 1860 against Kantilal Khimani, Prashant Kantilal Khimani, Ramkishor Ramvallabh Boob, Shardadevi Ramkishore Boob, Prafulbhai Balubhai Brahmkshatriya and others (“**Accused**”). Our Promoter in the first information report has alleged that the Accused have made applications to our Company for transfer/ transmission of physical shares or dematerialization of their physical shares and that the physical shares which are held by the Accused are fake and fraudulent in nature as the record of the same cannot be traced in the records maintained by our Company and by the Registrar of Companies, Gujarat at Ahmedabad. Further our Promoter also alleged that the Accused withheld the fact that fake share certificates were issued and circulated and without disclosing the said information, transferred the management of the *erstwhile* Hics Cement Limited (now named as Mishtann Foods Limited) to our Promoter. Our Promoter has sought an investigation in the matter. This matter is currently pending.
- b) Our Promoter filed a first information report bearing number 11191045200218 on March 8, 2020 under Section 406, 420, 465, 467, 468, 471, 507 and 120B of the Indian Penal Code, 1860 against Vijaybhai Rameshbhai Patel, Rameshbhai Laxmanbhai Patel, Ramanbhai Jivabhai Patel and other (“**Accused**”), alleging that the Accused failed to fulfil an order of wheat which was placed by our Company and also failed to return an advance of ₹ 10.47 lakhs. Our Promoter also alleged that the Accused asked for a loan of ₹ 2,000 lakhs from our Promoter and on refusal to extend the loan, the Accused sent emails to our Company and various regulatory authorities seeking details of the equity shares which they claimed to have held in our Company. Further, on inspecting the share certificates of the Accused, it was alleged that the signatures on the share certificates were forged and the share certificate number, face value and distinctive number was also fraudulent and incorrect. On account of the above, the market value of our Company fell which also affected the goodwill of our Company. Our Promoter has sought an investigation in the matter. This matter is currently pending.

Please refer to “*Litigation involving our Company - Litigation by our Company- Criminal Proceedings*” on page 175.

2. *Other Material Litigations*
Please refer to “*Litigation involving our Company - Litigation by our Company - Civil and other Material Litigations*” on page 175.

LITIGATION INVOLVING OUR DIRECTORS

Cases filed against our Directors

1. *Criminal Proceedings*
Please refer to “*Litigation involving our Promoter - Litigation against our Promoter- Criminal Proceedings*” on page 175.
2. *Actions taken by Statutory/Regulatory Authorities*
Nil
3. *Tax Proceedings*
Nil
4. *Other Material Litigations*
Nil
5. *Disciplinary action against our Directors by SEBI or any stock exchange in the last five Fiscals*
Nil

Cases filed by our Directors

1. *Criminal Proceedings*
Please refer to “*Litigation involving our Promoter - Litigation by our Promoter- Criminal Proceedings*” on page 175.
2. *Other Material Litigations*
Nil

LITIGATION INVOLVING OUR SUBSIDIARY

Cases filed against our Subsidiary

1. *Criminal Proceedings*
Nil
2. *Actions taken by Statutory/Regulatory Authorities*
Nil
3. *Tax Proceedings*
Nil
4. *Other Material Litigations*
Nil
5. *Disciplinary action against our Subsidiary by SEBI or any stock exchange in the last five Fiscals*
Nil

Cases filed by our Subsidiary

1. *Criminal Proceedings*

Nil

2. *Other Material Litigations*

Nil

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

In terms of the Materiality Policy, our Company has six (06) material creditors, as on March 31, 2024.

As on March 31, 2024 the details of amounts outstanding towards small scale undertakings and other creditors areas follows:

(₹ in lakhs)

Particulars	No. of Creditors	Amount (₹ in lakhs)
Outstanding dues to material creditors	6	189.67
Outstanding dues to small scale undertakings	2	10.33
Outstanding dues to other creditors	30	52.06
Total outstanding dues	38	252.06

For further details, refer to the section titled “*Financial Information*” on page 116 of this Draft Letter of Offer.

DISCLOSURE PERTAINING TO WILFUL DEFAULTER(S) OR FRAUDULENT BORROWER(S)

Our Company, Promoter, and our Directors have not been categorized or identified as Wilful Defaulter(s) or Fraudulent Borrower(s).

MATERIAL DEVELOPMENT SINCE MARCH 31, 2024.

Except as stated in the chapter titled “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on page 164 of this Draft Letter of Offer , there have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled “*Objects of the Issue*” at page 70 of this Draft Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors in its meeting dated June 06, 2024 have authorized this Issue under Section 62(1)(a) of the Companies Act, 2013.

The Draft Letter of Offer was approved by the Rights Issue Committee of our Board of Directors pursuant to its resolution dated June 06, 2024. The Letter of Offer was approved by our Board pursuant to its resolution dated [●]. Our Board of Directors has, at its meeting held on [●], determined the Issue Price as ₹ [●] per Rights Equity Share, and the Rights Entitlement as [●] ([●]) Rights Equity Share for every [●] ([●]) Equity Shares held on the Record Date.

Our Company has received 'in-principle' approvals for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, *vide* letters dated [●] and [●] issued by BSE and MSEI, respectively for listing of the Rights Equity Shares to be Allotted pursuant to the Issue.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Directors and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is 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.

Except as stated below, there is no outstanding action initiated against our Directors and our Company by SEBI in the five years preceding the date of filing of this Draft Letter of Offer:

- a) The Securities and Exchange Board of India (“**SEBI**”) issued a notice dated February 3, 2015 to our Company and our *erstwhile* Directors, namely, Ketan Kantilal Khimani, Kantilal Jagjivan Khimani and Prashant Kantilal Khimani, on account of failure on part of our Company to redress investor complaints pending against our Company on the SCORES portal. Our Company replied to the notice dated January 17, 2020 stating that all the pending investor complaints against our Company have been resolved. Subsequently, a whole-time member of SEBI passed an order dated February 20, 2020 (“**Order**”) stating that there are certain complaints which are still pending for resolution and therefore directed our Company to take urgent steps to resolve those pending complaints and file a satisfaction report to SEBI within a period of 45 days.

Thereafter, a show cause notice dated October 16, 2020 was issued to our Company by SEBI alleging that our Company failed to submit any updated reply in SCORES for the pending investor grievances within 45 days from the date of the Order and that thirteen unresolved investor complaints were pending against our Company as on July 27, 2020. Thereafter an Adjudicating Officer appointed by SEBI (“**AO**”) passed an order dated November 27, 2020 wherein a charge of non-compliance of the directions issued *vide* the Order was established against our Company and pursuant to the said order, the AO imposed a penalty of ₹ 15.00 lakhs on our Company. Our Company has made a payment of ₹ 15.00 lakhs towards the order dated November 27, 2020 passed by the AO on January 7, 2021.

- b) A complaint dated August 15, 2022 was filed by Rameshbhai Laxmanbhai Patel (the “**Complainant**”) and the complaint hereinafter referred to as the “**Complaint**”) against our Company before SEBI alleging that *inter alia*, (i) the shareholders of our Company are fictitious in nature and do not hold a valid permanent account number; (ii) our Company has availed a fraudulent cash credit loan from the State Bank of India; (iii) during a search conducted by the regulatory authorities under the Central Goods and Services Tax Act, 2017, our Promoter, Chairman and Managing Director, Hiteshkumar Gaurishankar Patel, was arrested on July 19, 2022 and our Company failed to inform the Stock Exchanges about the same; (iv) the manufacturing unit of our Company is closed since inception and that our Company is creating fictitious turnover through circular trading; (v) the actual electricity consumption during the Financial Year 2017-18, 2018-19 and 2019-20 is very low as compared to the disclosures made in the annual reports; and (vi) certain public shareholders are relatives of our Directors and therefore the same is not in compliance with the applicable regulations. In addition to the Complaint, our Company also received certain queries from BSE *vide* its emails dated October 21, 2022, November 9, 2022, November 11, 2022, February 1, 2023 and February 2, 2023. Our Company replied to the Complaint and the emails received from BSE Limited *vide* our letters dated November 9, 2022, November 10, 2022, November 15, 2022, November 16, 2022, January 16, 2023, February 1, 2023 and February 17, 2023, refuting the allegations levied by the Complainant and furnishing the documents and clarifications sought by BSE. While, our Company has not received any further correspondence from SEBI or BSE in this regard, however the matter is currently pending.
- c) Our Company has received a letter dated April 26, 2023 bearing number SEBI/HO/CFI D/SEC-4/OW

/P/2023/17095/1 (“**Letter**”) from the Assistant General Manager, Corporation Finance Investigation Department, Securities and Exchange Board of India (“**AGM**”) in respect of an investigation initiated against our Company. The AGM in the Letter had sought certain documents and details relating to the related party transactions undertaken by our Company in the preceding five years. Our Company has *vide* an email dated May 4, 2023 replied to the Letter and has also provided the documents sought by the AGM. While, our Company has not received any further correspondence from SEBI in this regard, however the matter is currently pending.

- d) Our Company has received a warning letter dated May 31, 2023 bearing number SEBI/HO/CFD/SEC-II/OW/P/2023/22300/1 from SEBI in respect of the delay of one hundred and seventy days caused by our Company in intimating the arrest of our Promoter and Managing Director, Hiteshkumar Gaurishankar Patel to the Stock Exchanges under Regulation 30 of the SEBI Listing Regulations. SEBI in its letter informed our Company that the aforementioned non-compliance has been viewed seriously and warned our Company to comply with all applicable provisions of SEBI Regulations and that any aberrations in future would be viewed seriously and appropriate action would be initiated.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company nor our Promoter or any of our Directors have been identified or categorized as Wilful Defaulter(s) or Fraudulent Borrower(s).

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company and our Promoter are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Draft Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE and MSEI. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clauses (1) and (2) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. [•] is the Designated Stock Exchange for the Issue.

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 ₹ 4,990 lakhs. 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.

Disclaimer from our Company and our Directors

Our Company and our Directors accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.mishtann.com or an affiliate of our Company would be doing so at his or her own risk.

All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Investors will be required to confirm and will be deemed to have represented to our Company and our directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not

eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and our directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

No information which is extraneous to the information disclosed in this Draft Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centers.

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 Equity 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.

Disclaimer in respect of Jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Gujarat, India only.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with BSE.

Disclaimer Clause of MSEI

As required, a copy of this Draft Letter of Offer has been submitted to MSEI. The disclaimer clause as intimated by MSEI to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with MSEI.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is [•].

Listing

Our Company will apply to the Stock Exchanges for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis 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/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this the Draft Letter of Offer, Abridged Letter of Offer 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, except that this Draft Letter of Offer has been filed with the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER 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 a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form 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 under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE

UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Consents in writing of: our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, legal advisor, the Registrar to the Issue and the Bankers to the Issue* to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

**Will be obtained at the time of filing of the Letter of Offer*

Our Company has received written consent dated August 13, 2024 from the Statutory Auditor to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated August 13, 2024 on our Restated Financial Information for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022; (ii) limited reviewed report dated July 13, 2024 on the unaudited consolidated financial results for the financial statements for the three-month period ended June 30, 2024 in this Draft Letter of Offer; and (iii) the statement of tax benefits dated August 13, 2024 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer.

Expert Opinion

Our Company has received written consent dated August 24, 2023 from the Statutory Auditor to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated August 23, 2023 on our Restated Financial Information for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021; (ii) limited reviewed report dated July 18, 2023 on the unaudited consolidated financial results for the financial statements for the three-month period ended June 30, 2023 in this Draft Letter of Offer; and (iii) the statement of tax benefits dated August 24, 2023 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer.

Except for the abovementioned documents, provided by our Statutory Auditor our Company has not obtained any expert opinions.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Draft Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates

As on date of this Draft Letter of Offer, our Subsidiary has not listed its securities on any stock exchanges in India or abroad. Further, our Company does not have any associate companies.

Stock Market Data of the Equity Shares

Our Equity Shares are listed and traded on BSE and MSEI. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled “Market Price Information” on page 174 of this Draft Letter of Offer.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS DRAFT LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS DRAFT LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY

BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS IS SUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for Rights Issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer shall be filed with BSE Limited and Metropolitan Stock Exchange of India Limited and not with SEBI. However, the Letter of Offer shall be submitted with SEBI for information and dissemination purposes and shall be filed with the Stock Exchange.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. MCS Share Transfer Agent Limited is our Registrar and Share Transfer Agent, however our Company has appointed KFin Technologies Limited as the Registrar to the Issue. All investor grievances received by us have been handled by the Registrar to the Issue in consultation with the Company Secretary and Compliance Officer.

While, our Company endeavors to dispose investor complaints within 15 days from the receipt of the complaint, however there have been instances in the past wherein our Company failed to redress investor complaints on time or at all. The details of the action taken against our Company on account of failure to redress investor complaints has been provided below:

The Securities and Exchange Board of India (“SEBI”) has issued a notice dated February 3, 2015 to our Company and our *erstwhile* Directors, namely, Ketan Kantilal Khimani, Kantilal Jagjivan Khimani and Prashant Kantilal Khimani, on account of failure on part of our Company to redress investor complaints pending against our Company on the SCORES portal. Our Company replied to the notice dated January 17, 2020 stating that all the pending investor complaints against our Company have been resolved. Subsequently, a whole-time member of SEBI passed an order dated February 20, 2020 (“**Order**”) stating that there are certain complaints which are still pending for resolution and therefore directed our Company to take urgent steps to resolve those pending complaints and file a satisfaction report to SEBI within a period of 45 days. Thereafter, a show cause notice dated October 16, 2020 was issued to our Company by SEBI alleging that our Company failed to submit any updated reply in SCORES for the pending investor grievances within 45 days from the date of the Order and that thirteen unresolved investor complaints were pending against our Company as on July 27, 2020. Thereafter an Adjudicating Officer appointed by SEBI (“**AO**”) passed an order dated November 27, 2020 wherein a charge of non-compliance of the directions issued *vide* the Order was established against our Company and pursuant to the said order, the AO imposed a penalty of ₹ 15.00 lakhs on our Company. Our Company has made a payment of ₹ 15.00 lakhs towards the order dated November 27, 2020 passed by the AO on January 7, 2021.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue related matters. 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 Rights Equity 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, see “*Terms of the Issue*” beginning at page 193 of this Draft Letter of Offer. The contact details of our Registrar to the Issue and our Company Secretary are as follows:

Registrar to the Issue

KFin Technologies Limited

Selenium Tower-B, Plot 31 & 32, Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad – 500 032, Telangana, India.

Telephone: +91 406 716 2222

Toll Free number: 1800 309 4001

Email: mishtann.rights@kfintech.com

Website: www.kfintech.com

Investor grievance e-mail: einward.ris@kfintech.com

Contact Person: M Murali Krishna

SEBI Registration No.: INR000000221

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/Refund Orders etc.

Shivangi Digant Shah, Company Secretary and Compliance Officer of our Company. Her contact details are setforth hereunder.

B-905, Empire Business Hub,Opp. Shakti Farm,
Science City Road, Sola,Ahmedabad- 380 060, Gujarat, India

Telephone: +91 982 462 3116

E-mail: cs@mishtann.com

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in the Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, 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 Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Master Circular, Investors proposing to apply in the Issue can apply only through ASBA or by mechanism as disclosed in this Draft Letter of Offer.

Investors are requested to note that application in the Issue can only be made through ASBA or any other mode which may be notified by SEBI.

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents /records confirming the legal and beneficial ownership of the Securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

The Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI LODR Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the RBI, 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 Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations and SEBI Master Circular, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided their Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material 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 Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Further, this Draft Letter of Offer and the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard.

Investors can access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable laws) on the websites of:

- (i) our Company at www.mishtann.com;
- (ii) the Registrar at <https://rights.kfintech.com>; and
- (iii) the Stock Exchanges at www.bseindia.com and www.msei.in.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://rights.kfintech.com>) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.mishtann.com).

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided

their Indian address through other means, as may be feasible. Please note that neither our Company nor the Registrar shall be responsible for not sending the physical copies of Issue materials, including this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity 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 the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the 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 the 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 Draft Letter of Offer, the 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 authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer, the 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 Draft Letter of Offer, the 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 Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the 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 Draft Letter of Offer, the 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 Draft Letter of Offer, the 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 Equity 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 Equity 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).

Our Company is undertaking the Issue on a rights basis to the Eligible Equity Shareholders and will send this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid email addresses and an Indian address to our Company.

This Draft Letter of Offer is being provided, primarily through e-mail, 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.

PROCESS OF MAKING AN APPLICATION IN THE ISSUE

- In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Master Circular and the ASBA Circulars, all Investors desiring to make an Application in the 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.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in the 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, see “- *Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” on page 203 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 shares in physical form as on Record Date and applying in the Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising 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, see “- *Grounds for Technical Rejection*” on page 199 of this Draft Letter of Offer.

Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in the 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 the Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 198 of this Draft Letter of Offer.

- *Options available to the Eligible Equity Shareholders*

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to. Details of each of the Eligible Equity Shareholders’ Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at <https://rights.kfintech.com> and link of the same would also be available on the website of our Company at www.mishtann.com. Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

If the Eligible Equity Shareholder applies in the Issue, then such Eligible Equity Shareholder can:

1. apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
2. apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
3. apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
4. apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
5. renounce its Rights Entitlements in full.

- *Making of an Application through the ASBA process*

An Investor, wishing to participate in the Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in the Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 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 the Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, our 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.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's:

- (a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- (b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (c) 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.
- (d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- (f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- (i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts:

- (j) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- (k) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- (l) Do not send your physical Application to the Registrar, the Banker to the Issue, 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.
- (m) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- (n) Do not submit Application Form using third party ASBA account.
- (o) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (p) Do not submit multiple Applications.

- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to the Issue on plain paper in case of non-receipt of Application Form as detailed above and only such plain paper applications which provide all the details required in terms of Regulation 78 of SEBI ICDR Regulations shall be accepted by SCSBs. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to the Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, the Stock Exchanges.

An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising 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 Eligible Equity Shareholder who has not provided an Indian address.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently. The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her 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 Mishtann Foods 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. Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
4. 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 Equity Shares applied for pursuant to the Issue;
5. Number of Equity Shares held as on Record Date;
6. Allotment option – only dematerialised form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;
11. Total amount paid at the rate of ₹[] per Rights Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE / FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Authorisation 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); and
16. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set forth in “Restrictions on Foreign Ownership of Indian Securities” on page 216, of this Draft Letter of Offer and shall include the following:

“I/ We hereby make representations, warranties and agreements set forth in “Restrictions on Foreign Ownership of Indian Securities” on page 216 of the Draft Letter of Offer.

I/ We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the representations, warranties and agreements set forth therein.”

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://rights.kfintech.com>.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

- *Making of an 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 Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in the Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear 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 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.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in the Issue:

- The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail 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 e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear 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 remaining procedure for Application shall be same as set out in “- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 198 of this Draft Letter of Offer.

In accordance with the SEBI Master Circular, Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

- *Application for Additional Rights Equity Shares*

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “-*Basis of Allotment*” on page 210.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.

Additional general instructions for Investors in relation to making of an Application

- Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
- Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under “Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” on page 198.

(d) 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 authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by BSE.

(e) Applications should not be submitted to the Banker to the Issue, our Company or the Registrar.

(f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to the Issue shall be made into the accounts of such Investors.

(g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, folio number, bank account details and occupation (“Demographic Details”) are updated, true and correct, in all respects. Investors applying under the Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under the Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or 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) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

(h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(i) 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.

(j) 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.

(k) 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.

(l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details 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.

(m) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(n) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(o) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for the Issue as an incorporated non-resident must do so in accordance with the FDI Policy and FEMA Rules.

(p) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

- Grounds for Technical Rejection

Applications made in the Issue are liable to be rejected on the following grounds:

- DP ID, folio number and Client ID mentioned in Application does not match with the DP ID, folio number and Client ID records available with the Registrar.
- Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- Sending an Application to our Company, Registrar, Banker to the Issue, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (i) 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).
- (j) 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.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (o) 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.
- (p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are
- (q) U.S. QIBs and “qualified purchasers” (as defined under the U.S. Investment Company Act of 1940, as amended and referred to in this Draft Letter of Offer as “QPs”) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or
- (r) (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- (s) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (t) Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).
- (u) Applicants not having the requisite approvals to make application in the Issue.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY 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 APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAINPAPER APPLICATIONS, AS THE CASE MAY BE.

(v) Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain DemographicDetails from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

(w) These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(x) The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the 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.

(y) In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

- Multiple Applications

In case where multiple Applications are made using same demat account in respect of the same Rights Entitlement, 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. Further, additional applications in relation to additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “- Procedure for Applications by Mutual Funds” on page 202.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by our Promoter to meet the minimum subscription requirements applicable to the Issue as described in “General Information – Minimum Subscription” on page 63.

- Procedure for Applications by certain categories of Investors

Procedure for Applications by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event

(i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

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 the Issue. Further, 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 the Issue. Other categories of AIFs are permitted to apply in the Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in the 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 recognised 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 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 Equity 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

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

- ***Last date for Application***

The last date for submission of the duly filled in the 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 Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges 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 this Draft 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 Equity Shares hereby offered, as set out in “- Basis of Allotment” on page 210.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by BSE. Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

- Withdrawal of Application

An Investor who has applied in the 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 5.00 p.m. (Indian Standard Time) on the Issue Closing Date.

- Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board 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. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of four days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

- Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://rights.kfintech.com>) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.mishtann.com).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges 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.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Issue for subscribing to the Rights Equity Shares offered under Issue.

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 clear 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. <https://rights.kfintech.com>). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “[•]”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) 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 physical form as on Record Date where 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, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two clear 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 the 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 our Company or the Registrar is active to facilitate the aforementioned transfer.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

- *Renounees*

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to the Renounee(s) as well.

- *Renunciation of Rights Entitlements*

The Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off market transfer.

- *Procedure for Renunciation of Rights Entitlements*

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off market transfer (the “**Off Market Renunciation**”), 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.

In accordance with the SEBI Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical

form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to Issue Closing Date, such that credit of REs in their demat account takes place at least one day before Issue Closing Date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

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.

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.

- Payment Schedule of Rights Equity Shares

₹[•] per Rights Equity Share (including premium of ₹[•] per Rights Equity Share) shall be payable on Application.

Our Company accepts 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.

On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges 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 Master Circular, the Rights Entitlements credited to their respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the the Stock Exchanges under ISIN: [•] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) 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). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: [•] and indicating the details of the Rights Entitlements they intend to trade. 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 the Stock Exchanges under automatic order matching mechanism and on T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

Off Market Renunciation

The Eligible Equity Shareholders 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 dematerialised 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 to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: [•], 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.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

The Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the 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 in this Draft Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the 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(s) which shall be a separate bank account maintained by our Company in accordance with sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSB on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in the Issue.

Mode of payment for Resident Investors

All payments on the 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 ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
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 Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

BASIS FOR THE ISSUE AND TERMS OF THE ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as

beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see “*The Issue*” beginning on page 62.

- Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Rights Equity Shares or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their rights entitlement, if any.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Equity Shareholder will be entitled to [●] Equity Share and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if such Eligible Equity Shareholder has applied for Additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in the Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have ‘zero’ entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

- Ranking

The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall be subject to the provisions of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under the Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

- Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to the 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 Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE and MSEI through its letters bearing reference number [●] dated [●] and [●] dated [●], respectively. Our Company will apply to the Stock Exchanges for final approval for the listing and trading of the Rights Equity Shares subsequent to its Allotment.

No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof. The existing Equity Shares are listed and traded on BSE (Scrip Code: 539594) and MSEI (Symbol: MISHTANN) under the ISIN: INE094S01041. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges.

Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to the 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.

In case our Company fails to obtain listing or trading permission from BSE, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation

from BSE, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- Subscription to the Issue by our Promoter and members of the Promoter Group

For details of the intent and extent of subscription by our Promoter, see “Capital Structure – Intention and extent of participation by our Promoter and Promoter Group in the Issue” on page 68. As of date of this Draft Letter of Offer, except our Promoter, none of the members of our Promoter Group, hold Equity Shares in our Company.

GENERAL TERMS OF THE ISSUE

- Market Lot

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share.

- Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in the Issue.

- Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in the Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

- Arrangements for Disposal of Odd Lots

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

- Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI LODR Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository.

- Notices

In accordance with the SEBI ICDR Regulations and the SEBI Master Circular, and MCA General Circular No.21/2020 dated May 11, 2020, our Company will send through email and speed post, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material 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 Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one regional Gujarati daily newspaper with wide circulation (Gujarati also being the regional language in the place

where our Registered is located).

This Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the the Stock Exchanges for making the same available on their websites.

- Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out therein (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 favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice.

If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at ainward.ris@kfintech.com. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchanges.

Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis. In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened.

Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THE ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “-ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 211.

ISSUE SCHEDULE

Issue Opening Date	[•]
Last date for receiving requests for Application Form and Rights Entitlement Letter#	[•]
Issue Closing Date	[•]
Finalising the basis of allotment with the Designated Stock Exchange	[•]
Date of Allotment (on or about)	[•]
Initiation of refunds	[•]
Date of credit (on or about)	[•]
Date of listing (on or about)	[•]

**Our Board may, however, decide 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).*

***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms*

or on before the Issue Closing Date.

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

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, havenot 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 clear 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., [●], [●].

BASIS OF ALLOTMENT

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part, as adjusted for fraction entitlement.
- (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 Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of the Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- (e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board 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 Equity Shares in the Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the 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.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations, if applicable or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised 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 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are “officers in default” shall pay interest at such 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 a mail, to the Indian mail 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, unblocking 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 Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/ blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed 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:

- (f) Unblocking amounts blocked using ASBA facility.
- (g) 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 centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition (“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 centres where NACH facility has been made available by 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.
- (h) 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.
- (i) Direct Credit – Investors having bank accounts with the Banker 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.
- (j) RTGS – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank 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.
- (k) 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 favour of the sole/first Investor and payable at par.
- (l) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

- Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

- Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THE 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 CLEAR 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 HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, 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: tripartite agreements dated January 19, 2016 and September 5, 2015 amongst our Company, NSDL and CDSL, respectively, and the Registrar to the Issue

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the dematerialised 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 Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with Investor Education and Protection Fund (IEPF) authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.
9. Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue

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:

- (i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (ii) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (iii) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lacs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lacs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lacs or with both.

Utilization of Issue Proceeds

Our Board of Directors declares that:

- (a) All monies received out of the Issue shall be transferred to a separate bank account;
- (b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- (c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- (d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

- (i) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- (ii) All steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- (iii) 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.
- (iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 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.
- (v) Other than any Equity Shares that may be issued pursuant to exercise options under the ESOP 2016 and ESOP 2018, no further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
- (vi) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- (vii) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.

- (viii) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- (ix) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- (x) Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum Subscription

Our Promoter *vide* his letter dated August 24, 2023 (the “**Subscription Letter**”) has undertaken to: (a) subscribe to the full extent of his Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in his favour; and (b) subscribe for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue. Further, the objects of the Issue involve financing other than financing of capital expenditure for a project.

As of date of this Draft Letter of Offer, except our Promoter, none of the members of our Promoter Group, hold Equity Shares in our Company.

Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for Rights Issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer shall be filed with BSE Limited and Metropolitan Stock Exchange of India Limited and not with SEBI. However, the Letter of Offer shall be submitted with SEBI for information and dissemination purposes and shall be filed with the Stock Exchange.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, our Company reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchanges will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchanges.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the Stock Exchanges where the Equity Shares may be proposed to be listed.

Important

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in “*Risk Factors*” on page **Error! Bookmark not defined.**

All enquiries in connection with this Draft Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “**Mishtann Foods Limited– Rights Issue**” on the envelope to the Registrar at the following address:

KFin Technologies Limited

Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District,
Nanakramguda, Serilingampally,

Hyderabad – 500 032, Telangana, India.

Telephone: +91 406 716 2222

Toll Free number: 1800 309 4001 **Email:** mishtann.rights@kfintech.com **Website:** www.kfintech.com

Investor grievance e-mail: einward.ris@kfintech.com

Contact Person: M Murali Krishna

SEBI Registration No.: INR000000221

The Issue will remain open for a minimum period of 7 (seven) days. However, 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 Closing Date).

The Investors can visit following links for the below-mentioned purposes:

- (a) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: <https://rights.kfintech.com>;
- (b) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: <https://rights.kfintech.com>; and
- (c) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: einward.ris@kfintech.com.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2017 (“**FDI Circular 2017**”), which, with effect from August 28, 2017, 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 August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 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 between FEMA and such policy pronouncements, FEMA prevails. The Consolidated FDI Policy, issued by the DIPP, consolidates the policy framework in place as on August 27, 2017, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore the Consolidated FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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 VIII – STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at www.mishtann.com from the date of this Draft Letter of Offer until the Issue Closing Date.

1. Material Contracts for the Issue

- (i) Registrar Agreement dated July 30, 2024 entered into amongst our Company and the Registrar to the Issue.
- (ii) Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue.

2. Material Documents

- (i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- (ii) Annual Reports of the Company for the past three years.
- (iii) Certificate of incorporation dated February 27, 1981.
- (iv) Certificate of incorporation dated October 21, 1994 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, pursuant to conversion of our Company from a private limited company into a public limited.
- (v) Certificate of incorporation dated February 19, 2015 was issued by the Registrar of Companies, Gujarat at Ahmedabad, pursuant to change of name of our Company
- (vi) Resolution of the Board of Directors dated June 06, 2024 in relation to the Issue.
- (vii) Resolution of the Rights Issue Committee dated August 13, 2024 approving and adopting this Draft Letter of Offer.
- (viii) Resolution of the Board of Directors dated [●] approving and adopting the Letter of Offer.
- (ix) Resolution of our Board dated [●], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.
- (x) Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Independent Chartered Accountant, Statutory Auditor, Bankers to the Issue*, Legal Advisor and the Registrar to the Issue for inclusion of their names in the Draft Letter of Offer in their respective capacities.
- (xi) *To be issued prior to filing of the Letter of Offer.
- (xii) The examination reports dated August 23, 2023 of the Statutory Auditor, on our Company's Restated Financial Statements, included in this Draft Letter of Offer.
- (xiii) The limited reviewed report dated July 13, 2024 of the Statutory Auditor on the unaudited consolidated financial results for the financial statements for the three-month period ended June 30, 2024 included in this Draft Letter of Offer.
- (xiv) Statement of Tax Benefits dated August 13, 2024 from the Statutory Auditor included in this Draft Letter of Offer.
- (xv) Tripartite Agreement dated January 19, 2016 between our Company, NSDL and the Registrar to the Issue.
- (xvi) Tripartite Agreement dated September 5, 2015 between our Company, CSDL and the Registrar to the Issue.
- (xvii) In principle listing approval dated [●] and [●] issued by BSE and MSEI, respectively.

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 reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

<p>Sd/-</p> <p>_____</p> <p>Hiteshkumar Gaurishankar Patel Chairman and Managing Director</p>	<p>Sd/-</p> <p>_____</p> <p>Navinchandra Dahyalal Patel Whole-Time Director</p>
<p>Sd/-</p> <p>_____</p> <p>Ashish Agarwal Independent Director</p>	<p>Sd/-</p> <p>_____</p> <p>Bhumi Jayantkumar Gor Independent Director</p>
<p>Sd/-</p> <p>_____</p> <p>Rainy Ramesh Singhi Independent Director</p>	<p>Sd/-</p> <p>_____</p> <p>Nihar Gaurang Sheth Independent Director</p>

SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY

<p>Sd/-</p> <p>_____</p> <p>Navinchandra Dahyalal Patel Chief Financial Officer</p>	<p>Sd/-</p> <p>_____</p> <p>Shivangi Digant Shah Company Secretary & Compliance Officer</p>
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Place: Ahmedabad
Date: August 13, 2024