



SONALIS CONSUMER PRODUCTS LIMITED

Our Company was incorporated as a Public limited company under the Companies Act, 2013 in the name of 'Sonalis Consumer Products Limited vide Certificate of Incorporation dated March 15, 2022 with the Registrar of Companies, Central Registration Centre., pursuant to direct listing our Company got listed on BSE Limited on June 19, 2023, please refer to "General Information" beginning on page 04 of this Draft Letter of Offer.

Registered Office: HD-275, WeWork Oberoi Commerz II, 20th floor, CTS No. 95, 4 B 3 & 4 590, Off W. E. Highway, Oberoi Garden City, Goregaon East, Mumbai, Goregaon East, Maharashtra - 400063, India

Contact person: SWETA AGARWAL

Telephone: +91 9867611444 | **E-mail id:** cs@appetitefood.in

Website: www.sonalisconsumer.com

Corporate Identity Number: U52109MH2022PLC378461

PROMOTER OF OUR COMPANY: MS. SONALI NILESH KOCHAREKAR AND MS. SMITA SHASHIKANT SHAH

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SONALIS CONSUMER PRODUCTS LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY

NEITHER OUR COMPANY NOR OUR PROMOTERS AND DIRECTORS HAS BEEN DECLARED AS A WILFUL DEFAULTER OR A FRAUDULENT BORROWER BY THE RBI OR ANY OTHER GOVERNMENT AUTHORITY

ISSUE OF UP TO [●] FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹10 EACH OF OUR COMPANY (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UPTO ₹ 2500.00 LAKHS# ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS [●] (THE "ISSUE"). FOR FURTHER DETAILS, PLEASE REFER TO "TERMS OF THE ISSUE" BEGINNING ON PAGE [●] OF THIS DRAFT LETTER OF OFFER.

Assuming full subscription.

GENERAL RISKS

Investment 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 with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered 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 this Letter of Offer. Specific attention of the investors is invited to "Risk Factors" beginning on page 17 of this Draft Letter of Offer before making an investment in this Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respects.

LISTING

The existing Equity Shares are listed on BSE Limited ("BSE") (the "Stock Exchange"). Our Company has received 'in-principle' approval from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide its letter dated [●]. Our Company will also make application to the Stock Exchange to obtain its trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE Limited.

REGISTRAR TO THE ISSUE



Purva Share Registry (India) Private Limited

9 Shiv Shakti Industrial Estate, J. R. Boricha Marg, Near Lodha Excelus, Lower Parel East, Mumbai, Maharashtra – 400011

CIN: U99999MH1994PTC076534

Telephone: 022-49614132/3522 0056

Email: newissue@purvashare.com

Website: www.purvashare.com

Investor grievance e-mail: newissue@purvashare.com

Contact Person: Ms. Deepali Dhuri

SEBI registration no.: INR000001112

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATIONS*	ISSUE CLOSURES 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 account of the Renouncee(s) on or prior to the Issue Closing Date.

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

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DEFINITIONS AND ABBREVIATIONS

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

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

The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made there under. Notwithstanding the foregoing, terms used in sections/ chapters titled “Industry Overview”, “Statement of Tax Benefits, Financial Information “Outstanding Litigation and Material Developments” and “Terms of issue” on pages 51, 47, 147 and 157 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

GENERAL TERMS

Term	Description
“SCPL”, “SONALIS”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	Sonalis Consumer Products Limited, a public limited company incorporated under the Companies Act, 2013 and having Registered Office at HD-275, WeWork Oberoi Commerz II, 20th floor, CTS No. 95, 4 B 3 & 4 590, Off W. E. Highway, Oberoi Garden City, Goregaon East, Mumbai - 400063, Maharashtra, India
Promoters	The promoters of our Company, namely Mrs. Sonali Nilesh Kocharekar and Mrs. Smita Shashikant Shah
Promoter Group	Mrs. Sonali Nilesh Kocharekar and Mrs. Smita Shashikant Shah are the promoters and also hold directorship in the capacity of being Managing Director and Whole Time Executive & Woman Director, respectively of our Company. For further details, please refer to section titled ‘Our Management’ and ‘Our Promoters and Promoter Group’ beginning on page 71 and page 75 of this Draft Letter of Offer;

COMPANY RELATED TERMS

Term	Description
Articles / Articles of Association/AOA	Articles of Association of our Company as amended from time to time
Audited Financial Statements	The audited financial statements of our Company for the financial year ended March 31, 2024 which comprises of the balance sheet as at March 31, 2024, the statement of profit and loss including other comprehensive income, the cash flow statement, the statement of changes in equity for the year ended March 31, 2024, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details, see “Financial Information” on page 78 of this Draft Letter of Offer.
Auditors of the Company	The Statutory auditors of our Company, being M/s SSRV & Associates, Chartered Accountants.
Audit Committee	The Board of Directors of our Company constituted audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Section 177 of the Companies Act, 2013.
Associate Companies	A body corporate in which our company has a significant influence and includes a joint venture company.
Board of Directors / Board	The Board of Directors of our Company or a committee constituted thereof
Company Secretary and Compliance Officer	The Company Secretary of our Company, being Ms. Sweta Agarwal.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Mr. Shivang Shashikant Shah.
Act or Companies Act	Companies Act, 1956 and/ or the Companies Act, 2013, as amended from time to time.
CIN	Corporate Identification Number
Depositories Act	The Depositories Act, 1996, as amended from time to time

Director(s)	Director(s) of Sonalis Consumer Products Limited unless otherwise specified
Equity Shares	Equity Shares of our Company having Face Value of Rs.10/- each unless otherwise specified in the context thereof
Equity Shareholders /Shareholders	Persons /entities holding Equity Shares of our Company
ED	Executive Director
Group Companies	Companies (other than our Corporate Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Audited Financial Statements as covered under the applicable accounting standards, and as disclosed in “Financial Information of Our Group Companies” on page 78 of this Draft Letter of Offer
Independent Director	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer to chapter titled “Our Management” beginning on page 71 of this Draft Letter of Offer
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	International Securities Identification Number is INE0N5O01013.
Key Managerial Personnel / Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the section titled “Our Management” on page no. 71 of this Draft Letter of Offer
MD	Managing Director
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on September 10, 2022 in accordance with the requirements of the SEBI (ICDR)Regulations, 2018 as amended from time to time
MOA/ Memorandum / Memorandum of Association	Memorandum of Association of our Company as amended from time to time
Nomination & Remuneration Committee	The Nomination and Remuneration Committee of our Board described in the chapter titled “Our Management” on page 71 of this Draft Letter of Offer.
Registered Office	The Registered office of our Company, located at HD-275, WeWork Oberoi Commerz II, 20th floor, CTS No. 95, 4 B 3 & 4 590, Off W. E. Highway, Oberoi Garden City, Goregaon East, Mumbai - 400063, Maharashtra
ROC/Registrar of Companies	Registrar of Companies, Mumbai.
Audited Financial Statements	The audited financial statements of our Company for the Financial Years ended March 31, 2024 which comprises of the audited balance sheet, Audited statement of profit and loss and the audited cashflow statement, together with the annexures and notes thereto disclosed in chapter titled “Financial Statements” on page 78 of this Draft Letter of Offer
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being M/s SSRV & Associates. Chartered Accountants
PLC	Public Limited Company
PTC	Private Limited Company
Stakeholder’s Relationship Committee	The Stakeholders Relationship Committee of the Board of Directors constituted as the Company’s Stakeholder’s Relationship Committee in accordance with Section 178(5) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and described in the chapter titled “Our Management” on page 71 of this Draft Letter of Offer.
WTD	Whole Time Director

ISSUE RELATED TERMS

Terms	Description
Abridged Letter of Offer / ALOF	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement

Allot / Allotment / Allotted	Unless the context otherwise requires, the Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account	The account opened with the Banker(s) to the Issue, into which amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Account Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●].
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to the Issue.
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and / or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer.
Application	Application made through submission of the Common Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online / electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form / Common Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of the Rights Equity Shares in the Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount /ASBA	Application (whether physical or electronic) used by ASBA Applicants to make an Application authorizing the SCSB to block the amount payable on application in the ASBA Account maintained with such SCSB.
ASBA Account	Account maintained with a SCSB and as specified in the Common Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Common Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Circulars	Collectively, the SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, the SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
Banker to the Issue	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being [●].
Banker to the Issue Agreement	Agreement dated [●] entered into by and among our Company, the Registrar to the Issue, and the Banker to the Issue for receipt of the Application Money.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in "Terms of the Issue" on page 157 of this Draft Letter of Offer.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/husband, investor status, occupation and bank account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the Application Form submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmI

	=35, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer / DLOF	This draft letter of offer dated December 11, 2024 with BSE Limited, in accordance with the SEBI (ICDR) Regulations, for their observations and in-principal approval;
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e., [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see “Notice to Investors” on page 09 of this Draft Letter of Offer.
Issue / Rights Issue	Issue of up to [●] Rights Equity Shares for cash at a price of ₹ [●] per Rights Equity Share (including a share premium of ₹ [●] per Rights Equity Share) aggregating up to ₹2,500 lakhs* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] ([●]) Rights Equity Share for every [●] ([●]) fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record Date i.e. [●]. *Assuming full subscription
Issue Closing Date	[●]
Issue Materials	Collectively, the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Common Application Form and Rights Entitlement Letter, any other issue material relating to the Rights Issue.
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants / Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ [●] per Rights Equity Share.
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	Amount aggregating up to ₹2,500.00 lakhs* *Assuming full subscription
Lead Manager to the Issue / Lead Manager	[●]
Letter of Offer / LOF	The letter of offer dated [●] filed with the Stock Exchange and with SEBI. (for information and dissemination purpose).
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder / Renounee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with / without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue related expenses. For details, see “Objects of the Issue” on page 40 of the Draft Letter of Offer.
Non-Institutional Bidders / NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●].
QIBs / Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●].

Refund Bank	The Banker to the Issue with whom the Refund Account will be opened, in this case being [●].
Registrar to the Issue / Registrar	Purva Sharegistry (India) Private Limited
Registrar Agreement	Agreement dated November 28, 2022, entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI Rights Issue Circular, the Companies Act and any other applicable law.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. [●]. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e. [●].
Retail Individual Bidders(s) / Retail Individual Investor(s) / RII(s) / RIB(s)	An individual Investor (including an HUF applying through karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlements / REs	Number of the Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of the Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being [●] Rights Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder. Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements shall be credited in dematerialised form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares/ Rights Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on fully paid-up basis on Allotment.
SEBI Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 read with SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
Self-Certified Banks / SCSBs	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , updated from time to time or at or such other website(s) as maybe prescribed by SEBI from time to time.
Stock Exchanges	Stock exchange where the Equity Shares are presently listed, being BSE.
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter / Fraudulent Borrower	An entity or person categorised as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Day	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
GDP	Gross Domestic Product
BPD	Business and Planning Development;
B2B	Business to Business
CAGR	Compound Annual Growth Rate
CY	Current Year
MoU	Memorandum of Understanding
D2C	Direct to Consumer
FDI	Foreign Direct Investment
F&B	Food and Beverage
FMCG	Fast-moving consumer goods
GVA	Gross Value Added;
IMF'	International Monetary Fund;
FTA	Free Trade Agreement
SEZ	Special Economic Zone
PMLA	Prevention of Money Laundering Act

CONVENTIONAL AND GENERAL TERMS/ABBREVIATIONS

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under SEBI AIF Regulations
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
AY	Assessment Year
BSE	Bombay Stock Exchange
Bn	Billion
BG	Bank Guarantee
BHIM	Bharat Interface for Money
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
CARO	Companies (Auditor's Report) Order, 2016, as amended
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CRR	Cash Reserve Ratio
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018, as amended from time to time
DIN	Director's Identification Number
DP/Depository Participant	A Depository Participant as defined under the Depository Participant Act, 1996
DP ID	Depository Participant's Identification Number
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
FDI	Foreign Direct Investment
Financial Year/ Fiscal Year/ FY	The period of twelve months ended March 31 of that particular year

FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
FPI	Foreign Portfolio Investor
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gov/Government/GOI	Government of India
GST Act	The Central Goods and Services Tax Act, 2017
GST	Goods and Services Tax
GSTIN	GST Identification Number
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standard
I.T. Act	Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
INR/ Rs. / Rupees / `	Indian Rupees, the legal currency of the Republic of India
IPO	Initial Public Offering
KMP	Key Managerial Personnel
Ltd.	Limited
LM	Lead Manager
MCA	Ministry of Corporate Affairs
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended.
MOF	Minister of Finance, Government of India
MOU	Memorandum of Understanding
MSMEs	Micro, Small & Medium Enterprises
NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NPCI	National Payments Corporation of India
NOC	No Objection Certificate
NR/ Non-Residents	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time

PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
RBI	Reserve Bank of India
R & D	Research and Development
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RONW	Return on Net Worth
ROCE	Return on Capital Employed
RTGS	Real Time Gross Settlement
SAT	Security Appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI ICDR Regulations /ICDR Regulations/SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI Rules and Regulations	SEBI ICDR Regulations, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time.
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended.
SENSEX	Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small And Medium Enterprises
BSE SME	SME Platform of BSE Limited
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchanges	Unless the context requires otherwise, refers to, the BSE Limited
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TDS	Tax Deducted at Source
TIN	Tax payer Identification Number
Tn	Trillion
UIN	Unique Identification Number
U.S. GAAP	Generally accepted accounting principles in the United States of America.
VCFs	Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations. In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.
YoY	Year on Year

NOTICE TO INVESTORS

The distribution of this Draft 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 Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and courier this Draft Letter of Offer / Abridged Letter of Offer, Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, this Draft Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case, who make a request in this regard. Investors can also access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Stock Exchanges.

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

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

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

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

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

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

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

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

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "US SEC"), any state securities commission in the United States or any other US Regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States. The above information is given for the benefit of the Applicants/ Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer.

Any representation to the contrary is a criminal offence in the United States.

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

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

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CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION

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. 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 information and financial ratios in this Draft Letter of Offer have been derived from our Audited Financial Statements. For details, please see “Audited Financial Information” on page 78 of this Draft Letter of Offer. Our Company’s financial year commences on April 1 and ends on March 31 of the following calendar year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ending on March 31 of the following calendar year.

The GoI has adopted the Ind AS, which are converged with the IFRS and notified under Section 133 of the Companies Act, 2013 read with the Ind AS Rules. The Audited Financial Statements of our Company for the Financial Years ended March 2024 and March 2023 have been prepared in accordance with Ind AS read with the Ind AS Rules and other relevant provisions of the Companies Act, 2013 and in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Indian Rupees.

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 the Financial Statements in “Lakhs” and in this Draft Letter of Offer in “Lakhs” units or in whole numbers where the numbers have been too small to represent in “Lakhs”. One Thousand represents 1,000, One Lakh represents 1,00,000 and one million represents 10,00,000.

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, 2013 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 “Audited Financial Information” on page 78 of this Draft Letter of Offer.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounding 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.” or “Re.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America; and
- “Euro” or “€” are to Euro, the official currency of the European Union.

Our Company has presented certain numerical information in this Draft Letter of Offer in “Thousand” units or in whole numbers. One Thousand represent 1,000, One Lakh represents 1,00,000 and one million represents 10,00,000. All the numbers in the document have been presented in Thousand or in whole numbers where the numbers have been too small to present in Thousand. 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 Audited 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	September 30, 2024	March 31, 2024*	March 31, 2023
1 USD	83.78	83.37	82.21
1 Euro	93.53	90.22	89.60

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

* March 29, 30 and 31 being holdings, exchange rate is not available

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, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us. 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 17 of 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.

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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 not 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:

- adverse effect of competition on our market share and profits;
- Adherence to exposure limits and prudential norms as approved by the Board of Directors of the Company and the regulatory authorities.
- Erosion in the value of our investments
- our ability to:
 - manage our growth effectively;
 - manage our credit risk;
 - manage our quality of services;
 - hire and retain senior management personnel and other skilled manpower;
 - manage our operating costs;
 - handle cyber frauds - successfully implement our business strategies and expansion plans;
 - maintain effective internal controls;
- changes in general, political, social and economic conditions in India and elsewhere;
- General levels of GDP growth, and growth in employment and personal disposable income; and
- Economic uncertainties, fiscal crises or instability in India.

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 17, 62 and 71 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, nor our Directors, our Promoters, the Syndicate Member(s) or 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 Exchange.

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SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this including, the sections "Risk Factors", "Objects of the Issue", "Our Business" and "Outstanding Litigation and Defaults" beginning on pages 17, 40, 62 and 147, respectively of this Draft Letter of Offer.

1. Primary Business of our Company

As part of its expansion into new business, our company has engaged into the business of contract farming, lease farming for grains, warehousing, storage rooms, godown rental service, cold storage, processing and distribution of raw agriculture products into market ready goods, supply of finished goods into the market across Maharashtra and Gujarat, with plan for nationwide distribution. For further information, please refer to "Our Business" beginning on page 62 this Draft Letter of Offer.

2. Primary Industry

Our Company caters to the Snack industry which comes under FMCG (Fast-moving consumer goods) sector. Our product line includes a variety of offerings such as nutritious bars, Laddu (traditional Indian snacks), and snacks that are made out of nuts, seeds, flours, healthy oils, and various spices. We market our products under the brand name "Appetite Food."

As part of its expansion into new business, our company has engaged into the business of contract farming, lease farming for grains, warehousing, storage rooms, godown rental service, cold storage, processing and distribution of raw agriculture products into market ready goods, supply of finished goods into the market across Maharashtra and Gujarat, with plan for nationwide distribution. For further information, please refer to "Our Business" beginning on page 62 this Draft Letter of Offer.

For further information, please refer to "Industry Overview" beginning on page 51 of this Draft Letter of Offer.

3. Our Promoters

Our promoters are:

1. Sonali Nilesh Kocharekar, aged 38 years, is Managing Director on the Board and is associated with our Company since incorporation.
2. Smita Shashikant Shah, aged 61 years, is the Whole Time Executive & Woman Director of our Company and is associated with our Company since incorporation.

For further details please refer the chapter titled "Our Promoters and Promoter Group" beginning on page 78 of this Draft Letter of Offer.

4. Subscription to the Issue by our Promoters and Promoter Group

Our Promoter and members of the Promoter Group, through their letter dated December 09, 2024 has confirmed their intention that they shall only participate partly to the extent of my rights entitlement, shall not subscribe to the Rights Entitlement that may be renounced in their favor by any other Promoters or Members(s) of Promoter Group of our Company in accordance with Regulation 10(4)(b) and other applicable provisions of SEBI Takeover Regulations; may renounce their rights entitlement in favor of others; and shall not subscribe to unsubscribed portion of issue either jointly and /or severally., subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations in accordance with Regulation 86 of the SEBI ICDR Regulations.

The aforementioned subscription of Rights Equity Shares by our Promoter, if any, shall not result in a change of control of the management of our Company and shall not result in an obligation on our Promoter to make an open offer to the public shareholders of our Company in terms of the SEBI Takeover Regulations. Further, as on the date of this Letter of Offer, our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable laws, pursuant to this Issue.

5. OBJECTS OF THE ISSUE

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

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
1.	Funding capital expenditure requirements for the construction of building	340.78
2.	Funding capital expenditure requirements for the purchase of equipment/machineries	392.97
3.	Working Capital Requirement	690.85
4.	General Corporate Purpose	200.00
Total utilization of net proceeds		1624.60

#To be finalized on determination of the Issue Price and updated in the Draft Letter of Offer prior to filing with the SEBI and Stock Exchange. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

INTENTION AND EXTENT OF PARTICIPATION BY OUR PROMOTERS AND PROMOTER GROUP

Our Promoters and members of our Promoter Group have vide their letters dated December 09, 2024, confirmed that they intend to: (a) subscribe to the full extent of their Rights Entitlements and not renounce their Rights Entitlement (except to the extent of Rights Entitlements renounced by any of them in favour of our other Promoters or other member(s) of our Promoter Group); and (b) subscribe to, any Rights Entitlement renounced in their favour if any, subject to compliance with the Companies Act, the SEBI ICDR Regulations, the SEBI Takeover Regulations and other applicable laws/ regulations

The allotment of Equity Shares of our Company subscribed by our Promoters and other members of our Promoter Group in this Issue shall be eligible for exemption from open offer requirements in accordance with the SEBI Takeover Regulations and shall be in compliance with the Companies Act, the SEBI ICDR Regulations and other applicable laws.

Our Promoters and members of our Promoter Group have confirmed that subscription to Rights Equity Shares will not result in a change in control or the management of our Company, and any such subscription shall be subject to the aggregate shareholding of our Promoters and Promoter Group of our Company not exceeding 75% of the issued, outstanding and fully paid-up equity share capital of our Company after the Issue

Summary of Audited Financial Information

The following table sets forth summary of financial information derived from the Audited Financial Statements for the Financial Years ended March 31, 2024 and March 31, 2023 and the Audited Financial Results for the year ended March 31, 2024, prepared in accordance with recognition and measurement principles of IND AS 34 and Regulation 33 of SEBI Listing Regulations

SUMMARY OF OUTSTANDING LITIGATIONS

RISK FACTORS

For details, please see “Risk Factors” on page 17 of this Draft Letter of Offer. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

SUMMARY OF CONTINGENT LIABILITIES

There are no contingent liabilities as at the end of March 31, 2024.

SUMMARY OF RELATED PARTY TRANSACTIONS

For details regarding our related party transactions as per Ind AS 24 entered into by our Company in Fiscal 2023, please see “Audited Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Related party transactions” on pages 78 and 141 respectively of this Draft Letter of Offer.

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

Our Company has not issued Equity Shares for consideration other than cash during the period of one year preceding the date of this Draft Letter of Offer.

SPLIT OR CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

There has been no split or consolidation of equity shares in the last one year preceding the date of this Draft Letter of Offer.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this including the risks and uncertainties described below and the "Financial Statements" on page 78 of this before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 62, 51 and 141, respectively, as well as the other financial information included in this Draft Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. 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. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, please refer to "Forward Looking Statements" beginning on page 13 of this Draft Letter of Offer.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Financial Statements and Unaudited Financial Results included in this Letter of Offer. For further information, please refer to "Financial Statements" beginning on page 78 of this Draft Letter of Offer. In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to SONALIS CONSUMER PRODUCTS LIMITED.

Godown of the Company: Revenue Survey No 217, Sub plot No3/1, Verval Main Road, Shapar, Taluka - Kotda Sangani, Rajkot - 360024. Gujarat.

INTERNAL RISK FACTORS

A. Business Related

- The Registered Office and Godown of our Company are located/ carried on land parcels that are not owned by us and are held by us on a leasehold/ rental basis. In the event we lose or are unable to renew such leasehold rights, our business, results of operations, financial condition and cash flows may be adversely affected**

As of the date of this Draft Letter of Offer, our Registered Office and Godown of our Company are held on a leasehold/Rental basis. Set out in the table below are details of the address of our Registered Office and Godown, taken on lease/Rental

Sr. No	Particulars of Property	Address	Lessee	Lessor	Rental (₹ in Lakhs)	Validity of Agreement
1	Registered Office of our company	HD-275, WeWork Oberoi Commerz II, 20th floor, CTS No. 95, 4 B 3 & 4 590, Off W. E. Highway, Oberoi Garden City, Goregaon East, Mumbai, Goregaon East, Maharashtra, India-400063,	We work India Management Private Limited	Sonalis Consumer Products Limited	0.60/- per year	24 Months further extended with mutual consent
2	Godown of our Company	Revenue Survey No 217, Sub plot No3/1 Serval Shapar Taluka:Kotda Sangani	Tirupati Developers	Sonalis Consumer Products Limited	0.60/- per year	11 Months further extended with mutual consent

		District:Rajkot-360024				
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We cannot assure you that we will be able to renew our leases on commercially acceptable terms, or at all. In the event that we are required to vacate the aforesaid leased premises, we would be required to make alternative arrangements and we cannot assure that the new arrangements will be on commercially acceptable terms. Further, since the registered office and Godown of our Company is taken on lease, any negative set-back could materially adversely affect our business, results of operations, financial condition, cash flows and prospects. If we are required to relocate our business operations, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

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

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

3. Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees.

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

This may adversely affect our business and cash flows and results of operations. Our Company has taken efforts to maintain a lower attrition among the labourers by facilitating them with various in-house facilities and benefits to our employees.

4. Our insurance coverage does not adequately protect us against losses (including damages or loss caused to the Products), and successful claims against us that exceed our insurance coverage could harm our results of operations and diminish our financial position.

Our insurance policies, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. In addition, there are various types of risks and losses for which we do not maintain insurance, such as losses due to business interruption, losses in transit, natural disasters etc. because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition

of a larger deductible or co-insurance requirement, could adversely affect our business, future financial performance and results of operations.

5. We do not maintain long-term contracts with our third-party suppliers, and our business may be adversely affected by a shortfall in supply, or increase in price of materials

Our company is engaged into the business of trading of agricultural commodities, for further details, see chapter “Our Business” page 62 of this draft letter of offer. We do not have any long-term supply contracts with any of our specific suppliers with respect to our material requirements and typically place orders with them in advance of our anticipated requirements. All our products manufactured by third party manufacturers and we don’t have any control on the manufacturing process and quality and hygiene. So, the products sold by us may be subject to deficiencies and inferior quality. Due to absence of any long-term supply contracts we have to purchase the products at the prevailing pricing which may be affected by price rise of raw materials, labour costs, transportation costs and manufacturing expenses which are passed on to us by way of increased prices. Due to this our margins may be affected adversely. Any significant change in the cost structure or disruption in supply may affect the pricing and supply of products. If we are not able to increase our product prices to offset increased material costs, or if unit volume sales are significantly reduced, it could have an adverse impact on our profitability. This may adversely affect our business and financial performance.

6. The agricultural commodity trading business is highly seasonal and such seasonality may affect our operating results and cash flow of our Company.

Our business is seasonal in nature. Both raw material supplies and sales are seasonal, as our business is influenced by the traditional crop seasons in India. In India, majority of the farmers depend on monsoon for cultivation. Rainfall usually occurs during Kharif season and hence, the timing and seasonality of rainfall has an impact on the trading business of our Company. Thus, we are subject to seasonal factors, which make our operational revenue and operational results very unpredictable.

7. Major portion of our revenue is derived from a limited number of customers. Any failure to retain one or more of our customers or any disruption of sale of our product will have an adverse effect on our financial performance and results of operations.

We are significantly dependent on certain key customers for a significant portion of our sales, the loss of any one of our key customers for any reason could have an adverse effect on our business, results of operations and financial condition. While we strive to maintain good relations with our key customers, there is no assurance that our key customers will continue to place similar orders with us in the future. In addition to these external factors, these key customers may also set off any payment obligations, require indemnification for themselves or their affiliates, replace us with our competitors, or replace their existing products with alternative products which we do not supply. Therefore, there can be no assurance that we will not lose all or a portion of sales to these key customers, or that we will be able to offset any reduction of prices to these customers with reductions in our costs or by obtaining new customers. We may continue to remain dependent upon our key customers for a substantial portion of our revenues. Further, the deterioration of the financial condition or business prospects of these customers could reduce their requirement for our products and result in a significant decrease in the revenues we derive from these customers. In the event of our failure to retain one or more of our key customers, it will have an adverse effect on our financial performance and result of operations.

8. Our business operations are majorly concentrated in certain geographical regions and any adverse developments affecting our operations in these regions could have a significant impact on our revenue and results of operations.

The operations of the Company are carried in the state of Gujarat. Due to the geographical concentration of our major clients, our operations are susceptible to local, regional and environmental factors, such as social and civil unrest, regional conflicts, civil disturbances, economic and weather conditions, natural disasters, demographic and population changes, and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials, loss of key managerial personnel, and/or otherwise adversely affect our business, financial condition and results of operations. In addition, we generate major domestic sales through our customers situated in Gujarat. Such geographical concentration of our business in this region heightens our exposure to adverse developments related to competition as well as economic and demographic changes in this region, which may adversely affect our business prospects, financial conditions and result of operations. Further, as we enter into new markets and geographical areas, we are likely to compete with not only national players, but also the local players, who might have an established local presence, and are more familiar with local business practices and have stronger relationships with local distributors, dealers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into other areas may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our

business and prospects in light of the risks, losses and challenges that we face and should not rely on our results of operations for any prior periods as an indication of our future performance.

9. If our Company does not receive the minimum subscription of 90% of the total Issue Size, the Issue may fail.

In the event our Company does not receive the minimum subscription of 90% of the total Issue Size or the subscription level falls below 90% of the total Issue Size after the Issue Closing Date on account of withdrawal of Applications or technical rejections or any other reason, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date or any other period as may be prescribed under applicable law. Further, in the event, there is a delay in making a refund of the subscription monies, our Company shall be required to pay interest for the delayed period at such a rate prescribed under applicable law. For further details, please see "Minimum Subscription – General Information" beginning on page 34 of this Draft Letter of Offer.

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

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

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

The risk of contamination or deterioration of our products exists at each stage of the life cycle of our products such as sourcing of raw materials, production and delivery of the final products. Sourcing, storage and delivery of the raw materials poses significant risk in relation to contamination and deterioration in quality. Packaging, storage and delivery of our products to our consumers and the storage and shelving of our products until final consumption by consumers are also subject to such contamination and deterioration risks. While we follow stringent quality control processes and quality standards at each stage of the production cycle such as conducting sampling tests to ensure that the colour, odour, taste, appearance and nutrients of the raw materials, comply with our requirements or regulatory requirements or standards set by our consumers in the export markets, maintain our facilities and machinery, and conduct our manufacturing operations in compliance with applicable food safety standards, laws and regulations and our own internal policies, and though we have, in the past, not materially suffered due to any of the aforementioned, we cannot assure that our products will not be contaminated or suffer deterioration in the future. We cannot assure that contamination and deterioration of our products or raw materials will not occur during the transportation, and distribution due to ineffective storage facilities or any other reasons including factors unknown to us or beyond our control. If our products or raw materials are found to be amongst others, spoiled, contaminated, adulterated, tampered with, incorrectly labelled or reported to be associated with any such incidents, we may be forced to recall our products from the market and we could incur criminal or civil liability for any adverse medical condition or other damage resulting from consumption of such products by consumers which we may not be able to fully recover from our suppliers or insurance coverages. We may also be subject to liabilities arising out of such violations under the provisions of the Food Safety and Standards Act, 2006 ("FSS Act") along with relevant rules and regulations.

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

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

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

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

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

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

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

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

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

15. Adverse publicity regarding our products could negatively impact us

Adverse publicity regarding any of our products or similar products marketed or sold by others could negatively affect us. If any studies raise or substantiate concerns regarding the efficacy or safety of our products or other concerns, our reputation could be harmed and demand for our products could diminish, which could have a material adverse effect on growth in new customers and sales of our product, leading to a decline in revenues, cash collections, and ultimately our ability to meet operating cash flow requirements.

16. We are exposed to the risk of delays or non payment by our clients and other counterparties, which may also result in cash flow mismatches.

We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time stipulated by our agreements, to our customers may in turn cause delay in payment or

refusal of payment by the customer. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations.

We are exposed to counterparty credit risk in the usual course of our business dealings with our clients or other counterparties who may delay or fail to make payments or perform their other contractual obligations. The financial condition of our clients, business partners and other counterparties may be affected by the performance of their business which may be impacted by several factors including general economic conditions. We cannot assure you of the continued viability of our counterparties or that we will accurately assess their creditworthiness. We also cannot assure you that we will be able to collect the whole or any part of any overdue payments. Any material non-payment or non-performance by our clients, business partners, suppliers or other counterparties could affect our financial condition, results of operations and cash flows.

17. We are subject to competition from both organized and unorganized players in the market, which may significantly affect the fixation and realisation of the price for our product, which may adversely affect our business operation and financial condition.

The market for our products is competitive on account of existence of both the organized and unorganized players. Competition occurs generally on the key attributes such as quality of products, distribution network, pricing and timely delivery. Some of our competitors have longer industry experience and greater financial, technical and other resources, which may enable them to adopt faster in changing market scenario and remain competitive. Moreover, the unorganized sector can offer their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition. We operate in a rapidly consolidating industry. The strength of combined companies could affect our competitive position in all of our business areas. Furthermore, if one of our competitors or their customers acquires any of our customers or suppliers, we may lose business from the customer or lose a supplier, which may adversely affect our business, results of operations and financial condition.

18. Delays or defaults in client payments could affect our operations.

We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time stipulated by our agreements, to our customers may in turn cause delay in payment or refusal of payment by the customer. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations.

19. After the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.

The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

20. Any losses in the future may have a significant adverse impact on our financial condition and may lead to further erosion of our net worth .

Our company has incurred losses may incur losses in the future. There can be no assurance that the company will not incur losses in any future periods, or that there will not be any other adverse effect on our financial condition. Given the industry we are functioning in where there are chances of bad debts and deterioration of our products due to fluctuation in demand and supply.

21. We are highly dependent on our management team and key personnel and the loss of any key team member may adversely affect our business performance.

Our management team, and key personnel have been instrumental in the growth and development of our Company. Our management team comprises our Managing Director and Chief Financial Officer Mr. Shivang Shashikant Shah. In particular, the active involvement of our management team and key personnel in our operations, including through strategy, direction, and relationships have been integral to our development and business. The loss of any of these persons would have a material adverse effect on our operations. Our businesses are dependent upon a core and senior management team which oversees the day-to-day operations, strategy and growth of our business. Our success is largely dependent on our management team which

ensures the implementation of our strategy. If one or more members of our key management team were unable or unwilling to continue in their present positions, such persons would be difficult to replace and our business, results of operations, financial condition, cash flows and prospects could be adversely affected. Our future success, amongst other factors, will depend on our ability to continue to attract and retain qualified personnel, particularly persons with critical expertise, know-how and skills that are capable of helping us to strategize, and develop our business and various business vertical products. Our failure to successfully manage our personnel needs could materially and adversely affect our business, results of operations, financial condition and cash flows. Moreover, if any of our key professional employees were to join an existing competitor or form a competing company or otherwise leave, it could lead to setbacks in the implementation of our plans and strategy. Our failure to successfully manage our employees' needs could materially adversely affect our business, results of operations, financial condition, cash flows and prospects. If we are not able to address these risks, our business, results of operations, financial condition and cash flows could be adversely affected.

22. The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.

Since the Issue size is less than Rs. 100,00,00,000 (Rupees One Hundred Crores) there is no mandatory requirement of appointing an independent monitoring agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

23. Our business is subject to various laws and regulations which are constantly evolving. If we or our third-party network partners are deemed to be not in compliance with any of these laws and regulations, our business, reputation, financial condition, cash flows and results of operations may be materially and adversely impacted

Our business is subject to regulation by the relevant governmental authorities, including the Food Safety and Standards Authority of India, the Ministry of Consumer Affairs, Food and Public Distribution and the Commissioner of Customs. Together, these governmental authorities promulgate and enforce regulations that cover many aspects of our day-to-day operations, the Food Safety and Standards Act, 2006, the Legal Metrology (Packaged Commodities) Rules, 2011, various state-wise shops and establishments legislations. The laws and regulations governing our businesses are evolving and may be amended, supplemented or changed at any time. We may be required to seek and follow additional procedures, modify or adjust certain activities, restructure our ownership structure, obtain new or additional licenses or incur additional expenses to comply with such laws and regulations, which could adversely affect our future development and business. In order to comply with evolving laws and regulations, we may need to devote significant management time and other resources, including restructuring affected businesses, changing our business practices and adjusting our processes and systems, which may materially and adversely affect our business, growth prospects and reputation.

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

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

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

The fund requirement and deployment, as mentioned in the "Objects of the Issue" on page 40 of this Draft letter of Offer is based on the estimates of our management and has not been appraised by any bank or lead manager or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the

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

26. Major fraud lapses of internal control or system failures could adversely impact the company’s business.

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

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

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

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

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

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

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

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

Therefore, the information provided in this Draft letter of Offer on installed capacities and the data on actual production may differ significantly. For further details, please refer to the section titled ‘Our Business’ on page 62 of this Draft letter of Offer.

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

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

from our customers, dealers and distributors in a timely manner or at all in future, could adversely affect our working capital cycle and cash flows.

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

B. Issue Related

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

Our Company will dispatch the Offer Documents to such shareholders who have provided an address in India for the service of documents or who are in jurisdictions where the offer and sale of the Rights Equity Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. The Offer Documents will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

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

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

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

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see 'Terms of the Issue' on page 157 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights 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 being [●]) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to:

- Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
- Equity Shares held in the account of IEPF authority; or
- 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
- Equity Shares held by Eligible Equity Shareholders holding Equity Shares in the physical form on the Record Date the details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
- Credit of the Rights Entitlements returned/reversed/failed; or
- The ownership of the Equity Shares currently under dispute, including any court proceedings

34. 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 Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow de-mat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their de-mat 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 de-mat 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).

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

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, please refer to "Terms of the Issue" beginning on page 157 of this Draft Letter of Offer.

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

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through 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 Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

37. You 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 exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

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

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchange until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchange. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further,

historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

39. 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.

40. 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 Exchange. 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.

41. 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.

42. Our Company will not distribute the Draft Letter of Offer and other Issue related materials to overseas shareholders who have not provided an address in India for service of documents.

We will distribute the Issue Material to the shareholders who have provided an address in India for service of documents. The Issue Material will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in various overseas jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, this Letter of Offer will be sent only to their valid e-mail address and in case of such Eligible Equity Shareholders who have not provided their e-mail address, then this Draft Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

While 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 thereunder with respect to distribution of Issue Material in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdiction. While our Company will request its shareholders to provide an address in India for the purposes of distribution of Issue Material, our Company cannot assure that the regulator would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject our Company to fines or penalties.

43. 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.

44. 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.

45. 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.

46. There are restrictions on daily/ weekly/monthly/ annually movements in the price of Equity Shares, which may adversely affect a Shareholder's ability to sell, or the price at which it can sell, Equity shares at a particular price.

For Indian stock exchanges, the circuit limits are set by the Securities and Exchanges Board of India (SEBI). We are subject to circuit breakers imposed by BSE Limited, which does not allow transaction beyond decided increases or decreases in the price of Equity Shares. This Circuit breaker operates independently and imposed by the Stock exchange on the basis of trading volume and price movement of the shares. These filters restrict extreme price movement and curb price manipulation to a certain extent by stock operators. The filters also protect investors from extreme price fluctuations. As a result of this circuit breaker, the shareholders may not be able to sell the shares or the price at which sell the shares at any particular time.

47. Your ability to acquire and sell the Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Draft Letter of Offer.

No actions have been taken to permit a public offering of the Equity Shares offered in the Issue in any jurisdiction except India. As such, our Equity Shares have not and will not be registered under the Securities Act, any state securities laws of the United States or the law of any jurisdiction other than India. Further, your ability to acquire Equity Shares is restricted by the distribution and solicitation restrictions set forth in this Draft Letter of Offer. For further information, see "Notice to Investors" on page 09. You are required to inform yourself about and observe these restrictions. Our representatives, our agents and us will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with applicable law.

EXTERNAL RISK FACTORS

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

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

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

Our Company is subject to various regulations and policies. For details see section titled 'Key Industry Regulations and Policies' beginning on page 46 of this Draft letter of Offer. We are also subject to corporate, taxation and other laws in effect in India, which require continued monitoring and compliance. These laws and regulations and the way in which they are implemented and enforced may change. There can be no assurance that future legislative or regulatory changes will not have any adverse effect on our business, results of operations and financial condition.

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

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

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

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

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

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

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

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

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

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

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

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the

Equity Shares on the SME Platform of BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

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

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

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

As of the date of this Draft letter of Offer, our Promoter Directors, holds 38.59 % of the issued, subscribed and paid-up Equity Share capital of our Company. Following completion of this Issue, our Promoter Directors, shall hold a significant percentage of our Equity Share capital. Our Promoter Directors will therefore have the ability to influence our operations including the ability to approve significant actions at Board and at shareholders' meetings such as issuing Equity Shares, paying dividends, and determining business plans and mergers and acquisitions strategies. The trading price of our Equity Shares could be adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in our Promoter. For details of our Equity Shares held by our Promoter, please refer the section titled 'Capital Structure' beginning on page 38 of this Draft letter of Offer.

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

We have not declared dividends on our Equity Shares since our incorporation. We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders' investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, please refer the section titled 'Dividend Policy' beginning on page 123 of this Draft letter of Offer.

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

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

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

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

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

A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax

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

The Government of India has recently announced the union budget for Fiscal 2022, pursuant to which the Finance Act may undergo various amendments. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition and results of operations. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

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

61. Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favorable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

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

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

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

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. For further details, please refer to the section titled 'Restrictions on Foreign Ownership of Indian Securities' beginning on page 179 of this Draft letter of Offer. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in FDI Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

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

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

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorized through a resolution passed by our Board on November 18, 2024 pursuant to provision of the Companies Act, 2013. The terms and conditions of the Issue including the rights entitlement ratio, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Board of Directors /Rights Issue Committee at its meetings held on [●].

The following is a summary of this Issue. This summary should be read in conjunction with, and is qualified entirely by, the information set out in the chapter titled "Terms of the Issue" beginning on page 157 of this Draft Letter of Offer

Particulars	Details of Equity Shares
Rights Equity Shares being offered by our Company	[●] Rights Equity Shares
Rights Entitlement for the Rights Equity Shares	[●] Rights Equity Share for every [●] Equity Shares held on the Record Date
Record Date	[●]
Face Value per Equity Share	₹10/- each
Issue Price	₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share). On Application, Investors will have to pay ₹ [●] per Rights Equity Share, which constitutes 100% of the Issue price including premium.
Issue Size	[●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Rights Equity Share up to an amount of Rs. 2,500 Lakhs * *Assuming full subscription.
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank pari-passu in all respects with the Equity Shares of our Company.
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.
Equity Shares issued, subscribed and paid up and outstanding prior to the Issue	[●] Equity Shares issued subscribed and paid-up. For details, please see "Capital Structure" on page 38 of this Draft Letter of Offer.
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Equity Shares)	[●] Equity Shares* *assuming full subscription
Security Codes for the Equity Shares	ISIN: INE0N5001013 BSE Code: 543924
ISIN for Rights Entitlements	[●]
Terms of the Issue	For details, please see "Terms of the Issue" on page 157 of this Draft Letter of Offer
Use of Issue Proceeds	For details, please see "Objects of the Issue" on page 40 of this Draft Letter of Offer
Terms of the Issue	For details, please refer to "Terms of the Issue" beginning on page 157 of this Draft Letter of Offer.
Terms of Payment	The full amount is payable on application. For details, please refer to "Terms of the Issue" beginning on page 157 of this Draft Letter of Offer.

Please refer to the chapter titled "Terms of the Issue" on page 157 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	[●]

GENERAL INFORMATION

Our Company was incorporated as ‘Sonalis Consumer Products Limited’ pursuant to a Certificate of Incorporation dated March 15, 2022 issued by the Registrar of Companies, Central Registration Centre, as a Public Company under the provisions of the Companies Act, 2013. The Corporate Identification Number of our Company is U52109MH2022PLC378461. The company got listed on BSE Limited dated June 19, 2023.

Company Identification Number	U52109MH2022PLC378461
Registration Number	378461
Address of Registered Office of Company	Sonalis Consumer Products Limited HD-275, We Work Oberoi Commerz II, 20th floor, CTS No. 95, 4 B 3 & 4, 590, Off W. E. Highway, Oberoi Garden City, Goregaon East, Mumbai, Goregaon East, Maharashtra, India-400063 Telephone: +91 98676 11444 E-mail: cs@appetitefood.in Website: www.sonalisconsumer.com
Address of Registrar of Companies	Registrar of Companies, 5 th Floor, 100, Everest, Marine Drive, Mumbai-400002, Maharashtra, India Contact No.: 022-22812627 Email id: roc.mumbai@mca.gov.in
Designated Stock Exchange	BSE Limited

Our Board of Directors

Details regarding our Board of Directors as on the date of this Draft Letter of Offer are set forth in the table hereunder:

Name	Age	Designation	Address	DIN
Sonali Nilesh Kocharekar	40 years	Managing Director	406/D1, Mahindra Colony, Western Express Highway Road, Near Nancy Depot, Shree Krishna Nagar, Borivali East, Mumbai, Maharashtra, 400066	09536461
Smita Shashikant Shah	63 years	Whole Time Executive & Woman Director	D-504, Yudhishtir CHS, L.T.D. Link Road, Near Anand Nagar, N. L. Complex, Dahisar East, Mumbai, Maharashtra, 400068	09536462
Sundeep Paul Menezes	51 years	Non-Executive Independent Director	E-502, Yudhishtir, N.L. Complex, Dahisar East, Mumbai, Maharashtra, 400068	09706081
Ekta Anuj Chugani	41 years	Non-Executive Independent Director	2304, A Wing, Transcon Triumph, VLG, Amboli Hill Road, Andheri West, Mumbai Suburban, Maharashtra - 400053	09708289
Sanjay Rajkumar Dua	59 years	Executive Director	301 A Mahavir Heights Behind Brooklyn Park, Near Agarwal Lifestyle, Opp Bhoomi Acropolis, Global City, Vihar(West), PO. Bolinj, Palghar Maharashtra-401303	10537921
Devendrakumar Keshvlal Viradiya	48 years	Non-Executive Independent	Block No-42, Shrinathji Park-2, Mavdi Bypass Behind Ramdhan Rajkot Gujarat-360004	10825880

For detailed profile of our directors, please refer to the chapter titled “Our Management and Organisational Structure” on page 71 of this Draft Letter of Offer.

Chief Financial Officer

Name	Shivang Shashikant Shah
Address	D-504, Yudhistir CHS, Link Road, N. L. Complex, Anand Nagar, Dahisar East, Dahisar, Mumbai, Maharashtra, 400068
Telephone number	+91-8850215043
Email-ID	shivang@appetitefood.in
Website	www.sonalisconsumer.com

Company Secretary and Compliance Officer

Mrs.Sweta Agarwal, Company Secretary and Compliance Officer of our Company. Contact details are set forth hereunder.

Name	Ms.Sweta Agarwal
Address	HD-275, We Work Oberoi Commerz II, 20th floor, CTS No. 95, 4 B 3 & 4, 590, Off W. E. Highway, Oberoi Garden City, Goregaon East, Mumbai, Goregaon East, Maharashtra, India-400063
Telephone number	+91 98676 11444
Email-ID	cs@appetitefood.in
Website	www.sonalisconsumer.com

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

Registrar to the Issue	Statutory & Peer Review Auditor of the Company
Purva Shareregistry (India) Private Limited Address: 33, Printing House, 28-D, Police Court Lane, Behind Old Handloom House, Fort, Mumbai, Maharashtra,400001 Tel No: +91 022 – 4961 4132 / 3522 0056 Fax No +91 022 - 23012517 Website: www.purvashare.com Email: newissue@purvashare.com Website: www.purvashare.com Contact Person: Ms. Deepali Dhuri SEBI Registration Number: INR000001112	SSRV & ASSOCIATES, Chartered Accountant Gala No.215, Gundecha Industrial Estate., Akurli Road, Near Growels Mall, Kandivali East Mumbai - 400 101. Telephone: 022-67337013/14/15/24/25 Fax: N/A Email: ssrvandassociates@gmail.com Website: www.ssrv.in Contact Person: Mr Vishnu Kant Kabra Firm Registration: 135901W Membership Number: 403437 Peer Review Number: 014729
Legal Advisor to Issue	
M/s. Somesh Chhangani and Associates Address: 206, Shiv Residency 1, Badre Layout Borgan, Gorenda Road, Nagpur (urban), Nagpur – 440013, Maharashtra Tel No: +91 7028577476 Email Id: adv.chhangani.associate@gmail.com Contact Person: Mr. Somesh Shailendra Chhangani Bar Council No.: MAH/4401/2024	

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

In accordance with ICDR Regulations, 2018 and amendments thereof, Merchant Banker is not required to be appointed upto Issue size of Rs. 2,500.00 Lakh

Expert Opinion

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

Our Company has received written consent dated December 03, 2024, from the Statutory Auditors namely, M/s. SSRV & Associates, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Audited Financial Statements, dated March 31, 2024, and the statement of possible special tax benefits dated December 03,

2024, included in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term “Expert” shall not be construed to mean an “expert” as defined under the Securities Act.

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, Split Application Forms, Share Certificate(s) 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.

Changes in Auditors During Last Three Financial Years

There is no change in the Statutory Auditors of our Company during the last 3 years preceding the date of filing 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:

Events	Indicative Date
Last Date for Credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for on Market Renunciation of Rights Entitlements#	[●]
Issue Closing Date*	[●]
Finalisation Of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of Credit (on or about)	[●]
Date of Listing (on or about)	[●]

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

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

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

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts at least one day before the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Common Application Forms, see chapter titled “Terms of the Issue” beginning on page 157 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 get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.bigshareonline.com after keying in their respective details along with

either security control measures implemented there at. For further details, see chapter titled “*Terms of the Issue*” beginning on page 157 of this Draft Letter of Offer.

Credit Rating

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

Debenture Trustees

This is an issue of equity shares; hence appointment of debenture trustee is not required.

Appraising Agency

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any bank or financial institution.

Underwriting

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

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue Size, or the subscription level falls below 90% of the Issue Size, after the Issue Closing Date on account of withdrawal of applications, our Company shall refund the entire subscription amount received within 4 days from the Issue Closing Date. In the event that there is a delay in making refund of the subscription amount by more than eight days after our Company becomes liable to pay subscription amount (i.e. 4 days after the Issue Closing Date) or such other period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rate prescribed under applicable laws.

Filing of the Offer Document

SEBI (ICDR) (Fourth Amendment) Regulations, 2020 has granted certain relaxations with respect to Rights Issues under the SEBI ICDR Regulations. One of those relaxations is the increase of threshold of the Rights Issue size for filing of the Letter of Offer with SEBI. The threshold of the rights issue size under Regulation 3 of the SEBI ICDR Regulations has been increased from Ten crores to Fifty crores. Since the size of this Issue falls under the threshold, the Letter of Offer had been filed with the Stock Exchange and submitted with SEBI for information and dissemination.

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CAPITAL STRUCTURE

The equity share capital of our Company as at the date of this Draft Letter of Offer, and the details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue, are set forth below.

(₹ Lakhs except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	AUTHORISED SHARE CAPITAL*		
	1,35,00,000 Equity Shares of ₹10 each	1350.00	
B	ISSUED SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE		
	19,99,000 Equity Shares of ₹10 each	199.90	
C	PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER⁽¹⁾		
	Up to [●] Rights Equity Shares, at a premium of ₹[●] per Rights Equity Share, <i>i.e.</i> , at a price of ₹[●] per Rights Equity Share ⁽²⁾	[●]	Up to 2500
D	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE⁽³⁾		
	Up to [●] Equity Shares	[●]	
E	SECURITIES PREMIUM ACCOUNT		
	Before the Issue		364.06
	After the Issue		[●] ⁽³⁾

⁽¹⁾ The present Issue has been authorised vide a resolution passed at the meeting of the Board of Directors dated November 18, 2024.

⁽²⁾ On Application, Investors will have to pay [●] per Rights Equity Share which constitutes 100% of the Issue Price.

⁽³⁾ Assuming full subscription for and Allotment of the Rights Equity Shares.

NOTES TO CAPITAL STRUCTURE

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

Pursuant to letter dated December 09, 2024 our Promoters and Promoter Group have confirmed that they intend to (i) subscribe, to the full extent of their Rights Entitlements and have also confirmed that the promoters and all the members of the promoter group intend to subscribe, jointly and / or severally, to their Rights Entitlements and will not renounce them in favour of third parties. Please refer page 167 of this Draft Letter of Offer for their intention.

2. Shareholding Pattern of our Company as per the last filing with the Stock Exchange, in compliance with the provisions of the SEBI LODR Regulations:

The shareholding pattern of our Company, as on September 30, 2024 may be accessed on the website of the BSE <https://www.bseindia.com/stock-share-price/sonalis-consumer-products-ltd/sonalis/543924/shareholding-pattern/>

A statement as on September 30, 2024 showing holding of Equity Shares of persons belonging to the category of "Promoter and Promoter Group", including details of lock-in, pledge and encumbrance thereon, may be accessed on the website of the

A statement as on September 30, 2024 showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public", including equity shareholders holding more than 1% of the total number of Equity Shares, as well as details of shares which remain unclaimed may be accessed on the website of the BSE

3. Details of shares locked-in, pledged, encumbrance by Promoters and Promoter Group:

As on date of filing of this the details of Promoters and Promoter Group shares which are locked-in can be on the website of the BSE.

4. Details of specified securities acquired by our Promoters and Promoter Group in the last one year immediately preceding the date of filing of the Draft Letter of Offer

None of our Promoters or members of our Promoter Group have acquired any securities in the last one year, immediately preceding the date of filing of this Letter of Offer.

5. There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Letter of Offer.
6. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and members of the Promoter Group during the period between the date of filing this Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of such transaction.
7. At any given time, there shall be only one denomination of the Equity Shares of our Company.
8. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Rights Issue, shall be fully paid up. For further details on the terms of the Issue, please see the section entitled "**Terms of the Issue**" on page 157.

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

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SECTION IV– PARTICULARS OF THE ISSUE

OBJECTS OF THE OFFER

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

1. Funding capital expenditure requirements for the construction of building;
 2. Funding capital expenditure requirements for the purchase of equipment/machineries;
 3. Working Capital Requirement
 4. General Corporate Purpose
- (Collectively referred to as “Objects”)

The main objects and the objects incidental and ancillary to the main objects of our MOA enable our Company to undertake 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 MOA.

Net Proceeds

The details of the proceeds of the issue are summarized in the table below:

Sr. No.	Particulars	*Estimated Amount (₹In lakhs)
1.	Gross proceeds from the issue	[●]
2.	Less: Issue related expenses**	[●]
Net proceeds of the issue		[●]

*To be finalized on determination of the Issue Price and updated in the Draft Letter of Offer prior to filing with the SEBI and Stock Exchange

Requirement of funds and utilization of Net Proceeds

The Net Proceeds are proposed to be utilized in accordance with the details provided in the following table:

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
1.	Funding capital expenditure requirements for the construction of building	340.78
2.	Funding capital expenditure requirements for the purchase of equipment/machineries	392.97
3.	Working Capital Requirement	690.85
4.	General Corporate Purpose	200.00
Total utilization of net proceeds		1624.60

#To be finalized on determination of the Issue Price and updated in the Letter of Offer prior to filing with the SEBI and Stock Exchange. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue;

The fund requirements mentioned above are based on internal management estimates of our Company and have not been verified by the lead manager or appraised by any bank or financial institution or any other external agency. Given the dynamic nature of our business and our Company, we may have to revise the estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In addition, the estimated dates of completion of various plans as described herein are based on management’s current expectations and are subject to change due to various factors, some of which may not be in our control. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable law.

In the event of shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking debt financing. Furthermore, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes including the unidentified acquisition to the extent that the total amount to be utilized towards general corporate purposes including the unidentified acquisition will not exceed 25% of the gross proceeds from the Fresh Issue in accordance with Regulation 7(2) of the SEBI ICDR Regulations.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see the section titled “**Risk Factors**” beginning on page. 17 of this Draft Red Herring Prospectus.

Schedule of implementation and Deployment of Net Proceeds

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

(₹ In lakhs)					
Sr. No.	Particulars	Total Estimated Cost	Amount already deployed	Estimated utilization of net proceeds in FY 2024-2025	Estimated utilization of net proceeds in FY 2025-2026
1.	Funding capital expenditure requirements for construction of building	[●]	Nil	[●]	[●]
2.	Funding capital expenditure requirements for the purchase of equipment/machineries	[●]	Nil	[●]	[●]
3.	Working capital requirements	[●]	Nil	[●]	[●]
4.	General Corporate purpose	[●]	Nil	[●]	[●]
Total		[●]	Nil	[●]	[●]

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described in the Financial Year 2024-25 and 2025-26. In the event that the estimated utilization of the Net Proceeds in a Financial Year 2024-25 is not completely met, the same shall be utilized, in part or full, in the next Financial Year or a subsequent period towards the Objects.

For further details of factors that may affect these estimates, see “**Risk Factors**” on page 17.

Means of Finance

The fund requirements for all the Objects of the Issue are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue or through existing identifiable internal accruals.

DETAILS OF THE OBJECTS OF THE ISSUE

1. Funding capital expenditure requirements for construction of factory premises

The Company is carrying out manufacturing activity at S.R. No:99, Gondal - Mota Mahika Main Road, Opp Analghadh Fort, Lunivan, Nana Mahika Chokadi, Near Akashar Farm House, at Nana Mahika, Rajkot, Gujarat. The total construction area will be 20234 Sq. Mtrs. and the cost of construction will be Rs. 341.00 lakhs, as per the estimate given by Maulik M. Panseriya Chartered Engineer dated on December 03.2024.

The detailed break up of the Construction area

Sr.No	Particulars	Estimated Qty	Rate Per Unit.	Total Cost (` in lakhs)
1.	Excavation	440.00	150.00	66,000
2.	Filling	2510.00	350.00	8,78,500
3.	Pcc Work 1:2:4	300.00	4000.00	12,00,000
4.	Footing-M30	180.00	6500.00	11,70,000
5.	Column-M30	220.00	6500.00	14,30,000
6.	Plinth Beam+Tie Beam+Gutter Beam M30	330.00	6500.00	21,45,000

7	TMT Steel	1,32,370	70.00	92,65,900
8.	Trimix For Floor-M30	530.00	6000.00	31,80,000
9.	Masonry	430.00	5000.00	21,50,000
10.	Inside Plaster	2660.00	200.00	5,32,000
11.	Outer Plaster	1750.00	300.00	5,25,000
12.	Putty Work	2660.00	80.00	2,12,800
13.	Inside Colour	2660.00	150.00	3,99,000
14.	Out Side Colour	1750.00	100.00	1,75,000
15.	Proflex Roof	3490.00	2400.00	83,76,000
16.	Window Work	130.00	3000.00	3,90,000
17.	Rolling Shutter	90.00	4000.00	3,60,000
		Total Amount Civil Work		3,24,55,200
			Electric Work 3%	9,74,000
			Plumbing Work 2%	6,49,000
		Total Amount		3,40,78,200

2. Funding capital expenditure requirements for the purchase of equipment/machineries

The Company is going to buy the machineries for production, quality control and for utilities. We have not placed the order for the above indicated plant and machineries. Our Company shall not buy second hand machineries. All quotations received from the vendors mentioned above are valid as on the date of this Draft Letter of Offer Our Company has not yet finalised the suppliers for above equipment's. The capital expenditure figures are on the basis of estimation by the management and not appraised by any independent entity. The breakup of the machineries for production, quality control and utilities is as follow.

Sn	Particulars of machinery	Party Name	Qty.	Price Per Piece (in `lakhs)	Total (in `lakhs) (Excluding Tax)	Date of Quotation	Validity of Quotation
1	Approximate Size of each store 8 m x 6 m x 6 m (H) Designed Room Temperature 2 to 10 deg c Products to be stored Fresh fruits/dairy products Product Input Temperature/Final product Temperature Approx. 5 MT per day per store input at 10 degc and to be brought down to a final temperature of 4 degc in 12 hours after loading Type of Insulation Material Rigid Polyurethane Foam (PUF)	Anvira Solutions Private Limited	1.00	157.75	157.75	October 08, 2024	90 Days

Sr No	DESCRIPTION OF PRODUCTS	Party Name	QTY/Feet	RATE PER UNIT	AMOUNT
1.	PRE CLEANING ROUND SEPRATOR		2	2,86,000	5,72,000/-
2.	VIBRO DESTONER (FOR GROUNDNUT)		2	2,84,000	5,68,000/-
3.	BLOWER 15 HP		2	1,40,000	2,80,000/-
4.	CYCLONE 1100 MM		2	55,000	1,10,000/-
5.	AIR LOCK WITH GEAR MOTOR		2	54,000	1,08,000/-
6.	SCREW CONVEYOR GI 16 INCH WITH GEAR MOTOR (FOR MOISTURE)		15 Feet	5350	80,250/-
7.	SCREW CONVEYOR GI 16 INCH WITH GEAR MOTOR (UPPER PALA SILO)		25 Feet	5350	1,33,750/-

8.	SCREW CONVEYOR GI 16 INCH WITH GEAR MOTOR (UPPER PALA SILO)	Angel Sortech PVT Ltd	30 Feet	4050	1,21,500/-
9.	BLACK BELT CONVEYOR WITH GEAR MOTOR		5	1,60,500	8,02,500/-
10.	SCREW CONVEYOR GI 16 INCH WITH GEAR MOTOR (FOR OPNER MATERIAL DISTRIBUTE)		20 Feet	5350	1,07,000/-
11.	SCREW CONVEYOR 12"MS WITH GEAR MOTOR (FOR OPNER KANDHA RETURN)		28 Feet	4450	1,24,600/-
12.	FLATE GRADER 10 X 8 X 4 (JUMBO WITH MOTOR)		2	1,90,500	3,81,000/-
13.	ROUND GHUMA 8 FEET WITH MOTOR		2	2,35,000	4,70,000/-
14.	WHITE BELT CONVEYOR WITH GEAR MOTOR (APPROX FEET) (450 MM) (FOR GHUMA BIBADI COLLECT)		22 feet	5400	1,18,800/-
15.	WHITE BELT CONVEYOR WITH GEAR MOTOR (APPROX FEET) (600 MM)		20 Feet	5865	1,17,300/-
16.	VIBRO MTR 3 DACK		1	281000	2,81,000/-
17.	ASPIRATION CHANNEL		1	56,000	56,000/-
18.	CYCLONE 1100 MM		1	55,000	55,000/-
19.	BLOWER 7.5 HP		1	91,000	91,000/-
20.	AIRLOCK WITH GEAR MOTOR		1	27,000	27,000/-
21.	VIBRO DESTONER (FOR MULTI COMMODITTY)		1	2,84,000	2,84,000/-
22.	CYCLONE 1100 MM		1	55,000	55,000/-
23.	BLOWER 15 HP		1	1,40,000	1,40,000/-
24.	AIRLOCK WITH GEAR MOTOR		1	27,000	27,000/-
25.	MANGNETIC DESTONER (GS POWER 13000 TO 14000)		1	3,70,000	3,70,000/-
26.	5 FAN GRAVITY SEPRATOR MACHINE WITH PANEL BOARD		1	6,55,000	6,55,000/-
27.	VIBRO MTR 2 DACK FOR GRADING		2	2,55,000	5,10,000/-
28.	Z - ELEVATOR 9 LTR		90 Feet	8150	7,33,500/-
29.	Z - ELEVATOR 4 LTR		195 Feet	6930	13,51,530/-
30.	C - ELEVATOR 5 LTR WITH DOUBLE PARTITION		35 Feet	7375	2,58,125/-
31.	ALL PLANT DUCTING SUPPORTING LINE		1	2,60,500	2,60,500/-
32.	FITTING & INSTALLATION CHARGE		1	2,35,000	2,35,000/-
33.	ALL PLANT COLOR WORK WITH METERIAL		1	3,70,000	3,70,000/-
34.	STRUCTURE & FABRICATION WORK WITH MATERIAL		50 Ton	116	58,00,000/-
35.	COLOR SORTEX MACHINE SIZE : 6SXZ-600 CM		1	35,95,000	35,95,000/-
36.	AIR COMPRESSOR		1	6,85,000	6,85,000/-
				Total Amount	1,99,34,175/-
				GST 18%	35,88,151/-
				Total Amount	2,35,22,326/-

Notes:

- We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary.
- The quotation from the vendor mentioned earlier is valid as of the date of this Draft Letter of Offer. However, we have not yet entered into any definitive agreements with this vendor, and there is no assurance that they will ultimately supply the aforementioned equipment or machinery at the same costs.
- The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of equipment/machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost.

3. Working Capital Requirement

Sr. No.	Particulars	31.03.2023	31.03.2024	31.03.2025	31.03.2026
		Audited	Audited	Projected	Projected
A.	Current Assets				
	Inventories	300.21	480.36	547.95	657.53
	Trade Receivables	86.29	94.36	136.99	164.38
	Other Current Assets	96.45	405.61	466.17	490.79
	Short Term Loans and Advances	96.81	-	-	-
	Total Current Assets	579.76	908.33	1131.10	1312.71
B.	Current Liabilities				
	Trade Payable	80.05	245.72	353.42	424.11
	Other Current Liabilities & Provisions	33.19	18.80	20.68	22.75
	Total Current Liabilities	113.24	264.52	374.10	446.86
C.	Working Capital Gap (A-B)	466.52	643.81	757.00	865.85
D.	Borrowings/Owned Funds/Internal Accruals	-	-	100.00	175.00
E.	Working Capital funding through Issue Proceeds	46.52	643.81	657.00	690.85

Assumptions for our estimated working capital requirement

Particulars	As on March 31, 2026 (Projected)	As on March 31, 2025 (Projected)	As at March 31, 2024 (Audited)	As at March 31, 2023 (Audited)
No. of Days holding period of Inventory	250.00	250.00	431.16	214.16
No. of Days holding period of Trade Receivables	50.00	50.00	84.39	48.22
No. of Days holding period of Trade Payables	150.00	150.00	197.62	35.99

Justification for Holding Period levels:

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

Inventories	<p>In FY 2023, the company experienced an inventory turnover of 214 days, indicating the average time it took to sell inventory. However, in FY 2024, this number increased significantly to 431.16 days, representing a notable rise in the time taken to sell and replenish inventory</p> <p>Looking ahead, the company estimates that inventory days will stabilize at around 250 days for the next two financial years. Company will focus on improving inventory management, aligning production with demand, and possibly optimizing the supply chain to reduce excess stock and improve cash flow.</p>
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Trade receivables	<p>In FY 2023, the company maintained a healthy debtor turnover of 48.22 days, which reflected efficient credit management and prompt collection of receivables. However, the increase in debtor turnover to 84.39 days in FY 2024 can be attributed market condition and slower economic cycle.</p> <p>To address this, the company has set an estimated debtor turnover target of 50 days for the next two financial years. This projection is grounded in a strategic approach to improve collections and reduce outstanding receivables. By refining credit policies, streamlining the collections process, and maintaining close customer relationships, the company aims to bring debtor days back in line with historical norms, thereby ensuring healthier cash flow and financial stability. This shift aligns with the company's broader goal of optimizing working capital management for sustained growth</p>
Trade payables	<p>Trade payable days increased from 35 days in FY 2022-23 to 197.62 days in FY2023-24. This significant rise was a strategic decision by management</p> <p>Moving forward, the management has estimated trade payable days to stabilize at 150 days over the next two years. This estimate reflects a more balanced approach, where the company continues to manage supplier relationships strategically while ensuring that payment terms are optimized for operational needs and financial sustainability. Maintaining trade payable days at 150 days will help the company continue its growth trajectory while ensuring that supplier relationships remain strong and that the company's liquidity remains healthy.</p>

4. General Corporate Purposes

In terms of the SEBI ICDR Regulations, the extent of the Net Proceeds proposed to be used for general corporate purposes is estimated not to exceed 25.00% of the proceeds of the issue.

Our management will have flexibility in applying [●] lakhs of the Net Proceeds towards general corporate purposes, including but not restricted to financing working capital requirements, capital expenditure, acquiring business premises, meeting exigencies etc or any other purpose as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management in accordance with the policies of the Board will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company from time to time.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately [●] lakhs. The expenses of this include, among others, underwriting and lead manager fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated issue expenses are as follows:

Expenses*	Estimated expense* (₹ in lakhs)	As a % of the total estimated Issue expenses	As a % of the total Issue Size
Fees payable to the BRLM and commissions (including underwriting commission, brokerage and selling commission)	[•]	[•]	[•]
Commission/processing fee for SCSBs, Sponsor Bank(s) and Bankers to the Issue and fee payable to the Sponsor Bank for Bids made by RIBs. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, CRTAs and CDP ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	[•]	[•]	[•]
Advertising and marketing expenses	[•]	[•]	[•]
Fee payable to auditors, consultants and market research firms	[•]	[•]	[•]
Fees to regulators, including Stock Exchanges	[•]	[•]	[•]
Others (i) Listing fees, SEBI, BSE and NSE processing fees, book building software fees and other regulatory expenses; (ii) Printing and distribution of stationery; (iii) Fees payable to the Registrar to the Issue; (iv) Fees payable to Legal Counsel; and (v) Miscellaneous.	[•]	[•]	[•]
Total estimated Issue expenses	[•]	[•]	[•]

*Issue expenses excludes applicable taxes, where applicable. Issue expenses will be incorporated at the time of filing of the Draft Letter of Offer. Issue expenses are estimates and are subject to change

Notes

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only with one or more Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

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

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Letter of Offer which are proposed to be repaid from the Net Proceeds.

Appraisal Report

None of the objects for which the Issue Proceeds will be utilized have been financially appraised by any financial institutions / banks.

Monitoring Utilization of Funds

Since the proceeds from this Issue are less than ₹10,000 Lakhs, in terms of Regulation 41(1) 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 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 approvals 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 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) Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI (LODR) Regulation, the Company shall furnish to 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.

Variation in Objects

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

No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Companies or Key Managerial Employees. Our Company has not entered into or is not planning to enter into any arrangement / agreements with Promoters, Directors, key management personnel, associates or Group Companies in relation to the utilization of the Net Proceeds of the Issue.

KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE

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

Other Confirmation

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.

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

STATEMENT OF TAX BENEFITS

To,

**The Board of Directors,
SONALIS CONSUMER PRODUCTS LIMITED**
HD-275, WEWORK OBEROI COMMERZ II,
20TH FLOOR, CTS NO. 95, 4B 3 & 4 590,
OFF W. E. HIGHWAY, OBEROI GARDEN CITY,
GOREGAON EAST,
MUMBAI – 400063
MAHARASHTRA

Dear Sir,

Subject: Statement of possible tax benefits available for Proposed rights issue of equity shares of face value of Rs.10/- (Rupee Ten only) (‘Equity Shares’) of SONALIS CONSUMER PRODUCTS LIMITED and its eligible Equity Shareholders

The preparation of the Statement is the responsibility of the management of the Company for the ‘Issue’, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. We have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India.

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

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

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

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

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

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

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

We hereby consent to the extracts of this certificate being used in the letter of offer / letter of offer of the Company in connection with the Issue or in any other documents in connection with the Issue, and the submission of this certificate as may be necessary, to any regulatory authority and / or for the records to be maintained by the Company in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the Company may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents.

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

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

Yours faithfully,

**For S S R V and Associates
Chartered Accountants
FRN: 135901W**

**Sd/-
Vishnu Kant Kabra
Partner
M.No. 403437
UDIN: 24403437BKALHQ2622**

**Place: Mumbai
Date: 03/12/2024**

ANNEXURE I
STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SONALIS CONSUMER PRODUCTS LIMITED
(‘COMPANY’) AND ITS SHAREHOLDERS

1. Under the Income Tax Act, 1961 (‘Act’)

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

There are no special tax benefits available to the Company.

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

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

Notes

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

For S S R V and Associates
Chartered Accountants
FRN: 135901W

Sd/-
Vishnu Kant Kabra
Partner
M.No. 403437
UDIN: 24403437BKALHQ2622

Place: Mumbai
Date: 03/12/2024

ANNEXURE II
STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO SONALIS CONSUMER PRODUCTS LIMITED
(‘COMPANY’) AND ITS SHAREHOLDERS

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

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

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

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

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

Notes

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

For S S R V and Associates
Chartered Accountants
FRN: 135901W

Sd/-
Vishnu Kant Kabra
Partner
M.No. 403437
UDIN: 24403437BKALHQ2622

Place: Mumbai
Date: 03/12/2024

SECTION V– ABOUT COMPANY

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we, nor any of our or their respective affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Before deciding to invest in the Equity Shares, prospective investors should read this entire Letter of Offer, including the information in the sections ‘Risk Factors’ and ‘Financial Information’ on page nos. 17 and 78 respectively, of this Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section ‘Risk Factors’ on page no. 17 of this Draft Letter of Offer. Accordingly, investment decisions should not be based on such information.

GLOBAL ECONOMIC OUTLOOK

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

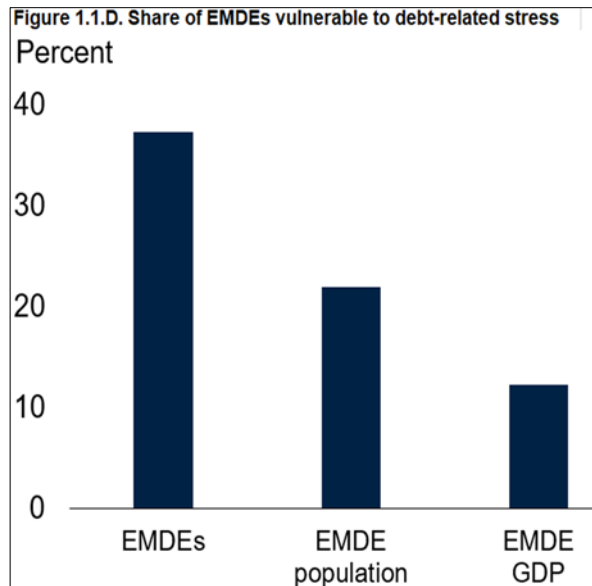
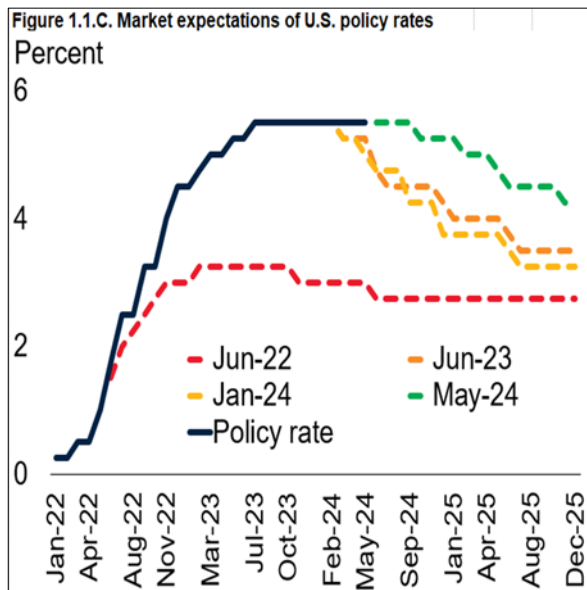
Despite an improvement in near-term growth prospects, the outlook remains subdued by historical standards in advanced economies and EMDEs alike. Global growth over the forecast horizon is expected to be nearly half a percentage point below its 2010-19 average pace. In 2024-25, growth is set to underperform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

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

Comprehensive fiscal reforms are essential to address the fiscal challenges confronting small states. First, small states’ revenues, which are highly volatile, should be drawn from a more stable and secure tax base. Second, spending efficiency needs to be improved. These changes should be complemented by reforms to fiscal frameworks, including better utilization of fiscal rules and sovereign wealth funds. Finally, the global community can bolster funding for small states to invest in climate change resilience and adaptation, and other priority areas, including technical assistance in fiscal policy and debt management.

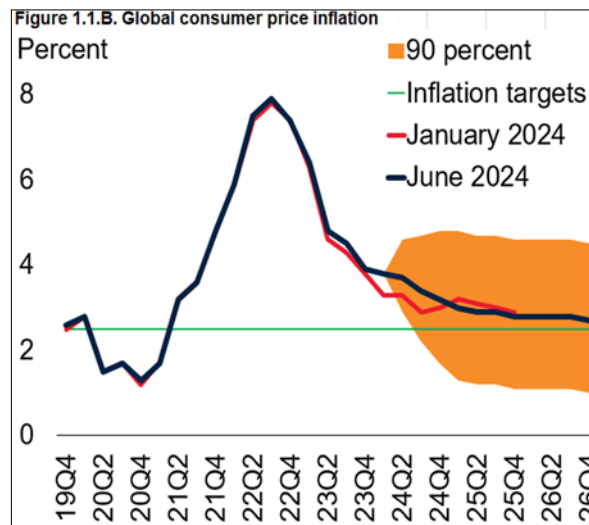
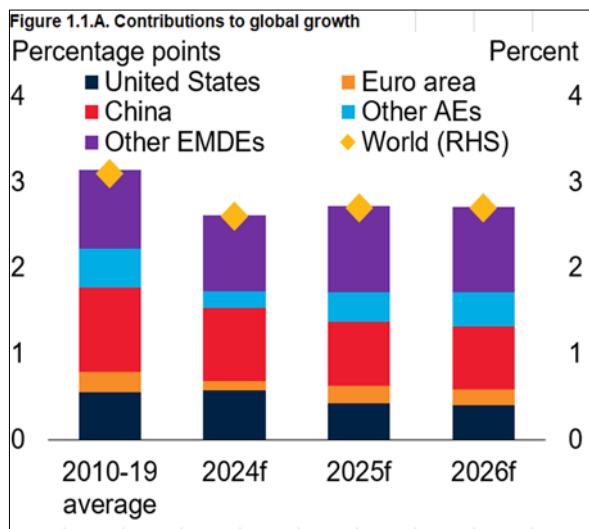
GLOBAL PROSPECTS

The global economy is stabilizing but the outlook remains subdued—both advanced economies and EMDEs are projected to grow at a slower pace over 2024-26 than in the pre-pandemic decade. Recent upward pressures on global core inflation are anticipated to gradually ease, such that headline inflation converges to levels broadly consistent with central bank targets by 2026. Market expectations for the path of U.S. policy rates have been repeatedly revised higher. Amid elevated borrowing costs, about two fifths of EMDEs are acutely vulnerable to debt stress. In 2024-25, growth is expected to underperform its 2010-19 average in countries comprising more than 80 percent of global output and population. The multiple shocks of recent years have impeded per capita income catch-up, with almost half of EMDEs losing ground relative to advanced economies over 2020-24.



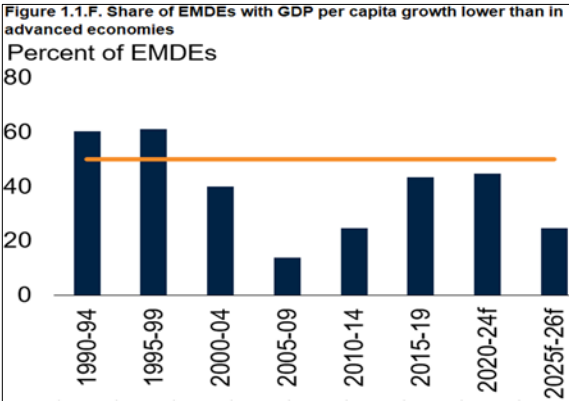
global economy is stabilizing, following several years of overlapping negative shocks. Despite elevated financing costs and heightened geopolitical tensions, global activity firmed in early 2024. Global growth is envisaged to reach a slightly faster pace this year than previously expected, due mainly to the continued solid expansion of the U.S. economy. However, the extent of expected declines in global interest rates has moderated amid lingering inflation pressures in key economies. By historical standards, the global outlook remains subdued: both advanced economies and emerging market and developing economies (EMDEs) are set to grow at a slower pace over 2024-26 than in the decade preceding the pandemic (figure 1.1.A).

Inflation continues to wane globally, making progress toward central bank targets in advanced economies and EMDEs, but at a slower pace than previously expected. Core inflation has remained stubbornly high in many economies, supported by rapid growth of services prices. Over the remainder of 2024, continued tight monetary policy stances and slowing wage increases should help reduce inflation further. By the end of 2026, global inflation is expected to settle at an average rate of 2.8 percent, broadly consistent with central bank targets (figure 1.1.B).

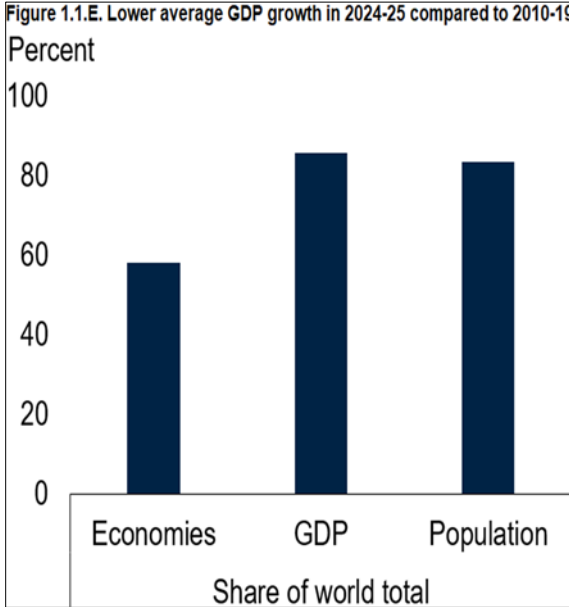


anticipated extent of monetary easing in advanced economies this year has diminished substantially since late 2023—by more than a percentage point in the case of the United States. Expected policy rate paths diverge across major economies, as the European Central Bank proceeds with policy easing while the U.S. Federal Reserve keeps rates on hold for longer. Indeed, aside from short-term fluctuations, market expectations for the path of U.S. interest rates have repeatedly moved higher since 2022 (figure 1.1.C). Despite this market reassessment, global financial conditions have eased this year, reflecting solid risk appetite following last year’s progress on disinflation and diminished concerns about the possibility of a sharp slowdown in global growth. In particular, global equity markets have made sizable gains.

EMDE financial conditions similarly became more accommodative early this year, aided by declining domestic policy rates, improving global sentiment, and expected easing of advanced economy monetary conditions. EMDE conditions turned somewhat less accommodative in the second quarter, as a strengthening of the U.S. dollar—prompted by geopolitical tensions and firm inflation data in the United States—coincided with a bout of capital outflows. Although market perceptions of sovereign credit risk have generally eased this year, EMDE borrowing costs continue to be high, and marked divergences persist. Indeed, credit ratings and debt sustainability analyses indicate that about 40 percent of EMDEs remain acutely vulnerable to debt-related stress (figure 1.1.D).



Against this backdrop, global growth is expected to remain subdued at 2.6 percent in 2024—unchanged from the previous year—reflecting tepid investment growth amid broadly restrictive monetary policies, and moderating consumption growth, in part because of receding savings buffers and diminishing fiscal support. Growth is projected to edge up to an average of 2.7 percent in 2025-26, as trade growth strengthens and broad but measured monetary policy easing supports activity in both advanced economies and EMDEs.



Across the forecast horizon, global growth remains lackluster by recent historical standards, at about 0.4 percentage point below the 2010-19 average. In 2024-25, growth is set to underperform its average pace in the 2010s in nearly 60 percent of economies, representing more than 80 percent of global output and population (figure 1.1.E). The subdued outlook—despite the anticipated moderation of various cyclical headwinds—underscores a secular deceleration of potential growth in many large economies. Relative to prepandemic norms, growth has weakened notably in countries that experienced high rates of inflation, much of which emanated from shocks to supply chains and commodity prices. Yet this trend is set to continue in the coming years, suggesting potentially enduring supply-side weakness.

Growth in EMDEs is forecast to hover around 4 percent a year over 2024-26. Growth in China is expected to slow this year and ease further in 2025 and 2026, with cyclical headwinds weighing on growth in the near term, along with a continuing structural slowdown. Excluding China, EMDE growth is projected to edge up to 3.5 percent this year and then firm to an average of 3.9 percent in 2025-26. In many EMDEs, this pickup reflects improving domestic demand, supported by receding inflation and easing financial conditions, and a cyclical rebound in trade, reflecting firming demand from some advanced economies. Across EMDE regions, the outlook is expected to diverge somewhat, with growth forecast to be weaker than the 2010-19 average in East Asia and Pacific, Europe and Central Asia, and South Asia, but broadly returning to pre-pandemic averages in most other regions over 2025-26.

GDP per capita in EMDEs is forecast to grow at about 3 percent on average over 2024-26, well below the average in 2010-19. Excluding China, EMDE per capita GDP growth is forecast to be lower still, averaging 2.5 percent over 2024-26. Some large EMDEs, such as India, are expected to see continued solid per capita growth. Yet the trend of the 2020s so far is one of uneven and limited progress. Nearly half of EMDEs are set to lose ground relative to advanced economies when viewed over the 2020-24 period (figure 1.1.F). Although this trend is expected to improve somewhat over 2025-26 in EMDEs as a whole, per capita growth is set to remain stagnant in many LICs and FCS.

Real GDP

(Percent change from previous year unless indicated otherwise)

	2021	2022	2023e	2024f	2025f	2026f	2024f	2025f
World	6.3	3.0	2.6	2.6	2.7	2.7	0.2	0.0
Advanced economies	5.5	2.6	1.5	1.5	1.7	1.8	0.3	0.1
United States	5.8	1.9	2.5	2.5	1.8	1.8	0.9	0.1
Euro area	5.9	3.4	0.5	0.7	1.4	1.3	0.0	-0.2
Japan	2.6	1.0	1.9	0.7	1.0	0.9	-0.2	0.2
Emerging market and developing economies	7.3	3.7	4.2	4.0	4.0	3.9	0.1	0.0
East Asia and Pacific	7.6	3.4	5.1	4.8	4.2	4.1	0.3	-0.2
China	8.4	3.0	5.2	4.8	4.1	4.0	0.3	-0.2
Indonesia	3.7	5.3	5.0	5.0	5.1	5.1	0.1	0.2
Thailand	1.6	2.5	1.9	2.4	2.8	2.9	-0.8	-0.3
Europe and Central Asia	7.2	1.6	3.2	3.0	2.9	2.8	0.6	0.2
Russian Federation	5.9	-1.2	3.6	2.9	1.4	1.1	1.6	0.5
Türkiye	11.4	5.5	4.5	3.0	3.6	4.3	-0.1	-0.3
Poland	6.9	5.6	0.2	3.0	3.4	3.2	0.4	0.0
Latin America and the Caribbean	7.2	3.9	2.2	1.8	2.7	2.6	-0.5	0.2
Brazil	4.8	3.0	2.9	2.0	2.2	2.0	0.5	0.0
Mexico	6.0	3.7	3.2	2.3	2.1	2.0	-0.3	0.0
Argentina	10.7	5.0	-1.6	-3.5	5.0	4.5	-6.2	1.8
Middle East and North Africa	6.2	5.9	1.5	2.8	4.2	3.6	-0.7	0.7
Saudi Arabia	4.3	8.7	-0.9	2.5	5.9	3.2	-1.6	1.7
Iran, Islamic Rep. ²	4.7	3.8	5.0	3.2	2.7	2.4	-0.5	-0.5
Egypt, Arab Rep. ²	3.3	6.6	3.8	2.8	4.2	4.6	-0.7	0.3
South Asia	8.6	5.8	6.6	6.2	6.2	6.2	0.6	0.3
India ²	9.7	7.0	8.2	6.6	6.7	6.8	0.2	0.2
Bangladesh ²	6.9	7.1	5.8	5.6	5.7	5.9	0.0	-0.1
Pakistan ²	5.8	6.2	-0.2	1.8	2.3	2.7	0.1	-0.1
Sub-Saharan Africa	4.4	3.8	3.0	3.5	3.9	4.0	-0.3	-0.2
Nigeria	3.6	3.3	2.9	3.3	3.5	3.7	0.0	-0.2
South Africa	4.7	1.9	0.6	1.2	1.3	1.5	-0.1	-0.2
Angola	1.2	3.0	0.9	2.9	2.6	2.4	0.1	-0.5
Memorandum items:								
Real GDP¹								
High-income countries	5.5	2.8	1.5	1.6	1.9	1.9	0.3	0.1
Middle-income countries	7.5	3.5	4.5	4.1	4.0	4.0	0.1	0.0
Low-income countries	4.1	5.0	3.8	5.0	5.3	5.5	-0.5	-0.3
EMDEs excluding China	6.5	4.3	3.4	3.5	4.0	3.9	0.0	0.2
Commodity-exporting EMDEs	5.8	3.4	2.6	2.8	3.4	3.2	-0.1	0.3
Commodity-importing EMDEs	8.0	3.9	4.9	4.7	4.3	4.3	0.3	-0.1
Commodity-importing EMDEs excluding China	7.3	5.3	4.5	4.4	4.6	4.7	0.2	0.1
EM7	7.8	3.3	5.1	4.5	4.0	4.0	0.4	-0.1
World (PPP weights) ³	6.6	3.3	3.1	3.1	3.2	3.2	0.2	0.1
World trade volume⁴	11.2	5.6	0.1	2.5	3.4	3.4	0.2	0.3
Commodity prices⁵							Level differences from January 2024 projections	
WBG commodity price index	100.9	142.5	108.0	106.0	102.1	101.5	1.1	-0.1
Energy index	95.4	152.6	106.9	104.0	100.0	99.0	0.6	0.0
Oil (US\$ per barrel)	70.4	99.8	82.6	84.0	79.0	78.1	3.0	1.0
Non-energy index	112.1	122.1	110.2	110.1	106.4	106.6	2.4	-0.2

Source: World Bank.

Source: *Global Economic Prospects -- June 2024 (worldbank.org)*

INDIAN ECONOMIC OUTLOOK

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 for Q1 2024-25 is estimated at Rs. 77.31 lakh crores (US\$ 928.9 billion) with growth rate of 9.7%, compared to the growth of 8.5% for Q1 2023-24. The growth in nominal GDP during 2023-24 is estimated at 9.6% 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 second half of FY24. During the period April-September 2025, India's exports stood at US\$ 211.46 billion, with Engineering Goods (26.57%), Petroleum Products (16.51%) and electronic goods (7.39%) 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 for the period Q1 2024-25 is estimated at Rs. 43.64 lakh crore (US\$ 524 billion), against the First Revised Estimates (FRE) of GDP for the year Q1 2023-24 of Rs. 40.91 lakh crore (US\$ 491 billion). The growth in real GDP during 2023-24 is estimated at 8.2% 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 periods. India's current account deficit (CAD) narrowed to 0.7% of GDP in FY24. The CAD stood at US\$ 9.7 billion for the Q1 2024-25 from US\$ 8.9 billion in Q1 2023-24 or 1.1% of GDP. This was largely due to decrease in merchandise trade deficit.

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 October 11, 2024, India's foreign exchange reserves stood at US\$ 690.43 billion.
- In 1H 2024, India saw a total of US\$ 31.5 billion in PE-VC investments.
- India secured 39th position out of 133 economies in the Global Innovation Index 2024. India rose from 81st position in 2015 to 39th position in 2024. India ranks 3rd position in the global number of scientific publications.
- In September 2024, the gross Goods and Services Tax (GST) stood at highest monthly revenue collection at Rs. 1.73 lakh crore (US\$ 20.83 billion).
- Between April 2000–June 2024, cumulative FDI equity inflows to India stood at US\$ 1,013.45 billion.
- In August 2024, the overall IIP (Index of Industrial Production) stood at 145.6. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 125.1, 147.1 and 219.3, respectively.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.49% (Provisional) for September 2024.

- 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\$ 13.89 billion) in India during January- (up to 15th July) 2024.
- The wheat procurement during Rabi Marketing Season (RMS) 2024-25 (till May) was estimated to be 266 lakh metric tonnes (LMT) and the rice procured in Kharif Marketing Season (KMS) 2024-25 was 400 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 July 2024, the Ministry of Finance held the Union Budget and announced that for 2024-25, the total receipts other than borrowings and the total expenditure are estimated at Rs. 32.07 lakh crore (US\$ 383.93 billion) and Rs. 48.21 lakh crore (US\$ 577.16 billion), respectively.
- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'Aatmanirbhar Bharat' and 'Local goes Global'.
- To enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crore (US\$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antyodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.
- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on December 29, 2022, by the Ministry of Railways.
- On October 7, 2022, the Department for Promotion of Industry, and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).
- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.

- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.
- India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (Rs.) to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on June 14, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on July 11, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, and Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on June 30, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- 'Mission Shakti' was applicable with effect from April 1, 2022, aimed at strengthening interventions for women's safety, security, and empowerment.
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 trillion (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilisers to provide credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical sector, as well as support of up to Rs. 20 crore (US\$ 2.4 million) each for common facilities including Research centre, testing labs and ETPs (Effluent Treatment Plant) in Pharma Clusters, to enhance the role of MSMEs.

- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of Denotified/Nomadic/SemiNomadic tribal communities (DNTs) (SEED) to provide basic facilities like good quality coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of Aatmanirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 trillion (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2,500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 trillion (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 trillion (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of the average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.

- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system, help fuel liquidity, and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY23; it is expected to raise Rs. 4 trillion (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India, and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

ROAD AHEAD

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

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2024-25, capital expenditure took lead by steeply increasing the capital expenditure outlay by 17.1 % to Rs.11 lakh crore (US\$ 133.51 billion) over Rs. 9.48 lakh crore (US\$ 113.91 billion) in 2023-24. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

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.

INDIAN AGRICULTURE GROWTH

India is one of the major players in the agriculture sector worldwide and it is the primary source of livelihood for ~55% of India's population. India has the world's largest cattle herd (buffaloes), the largest area planted for wheat, rice, and cotton, and is the largest producer of milk, pulses, and spices in the world. It is the second-largest producer of fruit, vegetables, tea, farmed fish, cotton, sugarcane, wheat, rice, cotton, and sugar. The agriculture sector in India holds the record for second-largest agricultural land in the world generating employment for about half of the country's population. Thus, farmers become an integral part of the sector to provide us with a means of sustenance.

Consumer spending in India will return to growth in 2021 post the pandemic-led contraction, expanding by as much as 6.6%. The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry.

The Indian food processing industry accounts for 32% of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth.

Foodgrain production in India touched 330.5 million metric tonnes (MT) in 2022-23 (3rd Advance Estimate). India is the world's 2nd largest producer of food grains, fruits and vegetables and the 2nd largest exporter of sugar. A total of 521.27 LMT rice has been anticipated for procurement for the upcoming KMS 2023-24, up from 496 LMT produced during the previous KMS 2022-23.

MARKET SIZE

According to Inc42, the Indian agricultural sector is predicted to increase to US\$ 24 billion by 2025. Indian food and grocery market is the world's sixth largest, with retail contributing 70% of the sales.

As per the First Advance Estimates for 2023-24 (Kharif only), total foodgrain production in the country is estimated at 148.5 million tonnes.

Rabi crop area has from 709.09 lakh hectares in 2022-23 to 709.29 lakh hectares in 2022-23.

In 2022-23 (as per the second advance estimate), India's horticulture output is expected to have hit a record 351.92 million tonnes (MT), an increase of about 4.74 million tonnes (1.37%) as compared to the year 2021-22.

The Agriculture and Allied industry sector witnessed some major developments, investments, and support from the Government in the recent past. Between April 2000-March 2024, FDI in agriculture services stood at US\$ 3.08 billion.

According to the Department for Promotion of Industry and Internal Trade (DPIIT), the Indian food processing industry has cumulatively attracted a Foreign Direct Investment (FDI) equity inflow of about US\$ 12.58 billion between April 2000-March 2024. This accounts for 1.85% of total FDI inflows received across industries.

During 2024-25 (April-May), processed vegetables accounted for US\$ 122.91 million, miscellaneous processed items accounted for US\$ 302.07 million and processed fruits & juices accounted for US\$ 143.51 million.

Rapid population expansion in India is the main factor driving the industry. The rising income levels in rural and urban areas, which have contributed to an increase in the demand for agricultural products across the nation, provide additional support for this. In accordance with this, the market is being stimulated by the growing adoption of cutting-edge techniques including blockchain, artificial intelligence (AI), geographic information systems (GIS), drones, and remote sensing technologies, as well as the release of various e-farming applications.

In terms of exports, the sector has seen good growth in the past year. India's agricultural and processed food products exports stood at US\$ 4.34 billion in 2024-25 (April-May).

INVESTMENT

Some major investments and developments in agriculture are as follows:

- In December 2023, NBCC signed an MoU with the National Cooperative Development Cooperation (NCDC) and NABARD for the construction of (1,469-grain storage units) the world's largest grain storage plan in the cooperative sector.
- India to host the 27th WAIPA World Investment Conference in New Delhi from December 11-14, 2023.
- In December 2023, Tata-owned Rallis India launched NAYAZINC fertilizer.
- In December 2023, NITI Aayog and IFPRI signed a Statement of Intent to strengthen policy frameworks for agricultural transformation and rural development.
- In November 2023, India signed deals to export 5,00,000 tons of new season basmati rice in Europe and the Middle East.
- In October 2023, the President of India launched the Fourth Krishi Road map of Bihar.
- In October 2023, Coal India, partnered to invest Rs. 3,095 crore (US\$ 371.69 million) in fertiliser JV to boost output.
- Government has set up a special fund called the Food Processing Fund (FPF) of approximately US\$ 265 million in the National Bank for Agriculture and Rural Development (NABARD) for extending affordable credit to designated food parks and food processing enterprises in the designated food parks.
- In June 2023, Mother Dairy invested Rs. 400 crore (US\$ 48.33 million) to set up a unit in Nagpur.

- In 2022, the Government of India is planning to launch Kisan Drones for crop assessment, digitization of land records, and spraying of insecticides and nutrients.
- In October 2022, Prime Minister Mr. Narendra Modi inaugurated PM Kisan Samman Sammelan 2022 and released PM-KISAN Funds worth Rs. 16,000 crore (US\$ 1.93 billion)
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated 4 new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- Consumer spending in India will return to growth in 2022 post the pandemic-led contraction, expanding by as much as 7%.
- The organic food segment in India is expected to grow at a CAGR of 10% during 2015–25 and is estimated to reach Rs. 75,000 crore (US\$ 9.1 billion) by 2025 from Rs. 2,700 crore (US\$ 386.32 million) in 2015.
- The processed food market in India is expected to grow to Rs. 3,451,352.5 crore (US\$ 470 billion) by 2025, from Rs. 1,931,288.7 crore (US\$ 263 billion) in FY20 on the back of government initiatives such as planned infrastructure worth US\$ 1 trillion and Pradhan Mantri Kisan Sampada Yojna. The food processing industry employs about 1.77 million people. The sector allows 100% FDI under the automatic route.
- From 2017 to 2020, India received ~US\$ 1 billion in agritech funding. With significant interest from investors, India ranks third in terms of agritech funding and the number of agritech start-ups. By 2025, Indian agritech companies are likely to witness investments worth US\$ 30-35 billion.
- Nestle India will invest Rs. 700 crore (US\$ 85.16 million) in the construction of its ninth factory in Gujarat.
- The performance of the agriculture and allied sector has been buoyant over the past several years, much of which is on account of the measures taken by the government to augment crop and livestock productivity, ensure certainty of returns to the farmers through price support, promote crop diversification, improve market infrastructure through the impetus provided for the setting up of farmer-producer organizations and promotion of investment in infrastructure facilities through the Agriculture Infrastructure Fund.
- As per the economic survey 2022-23, Rs. 13,681 crore (US\$ 1.6 billion) were sanctioned for Post-Harvest Support and Community Farms under the Agriculture Infrastructure Fund.
- Private investment in agriculture increases to 9.3% in 2020-21.
- Institutional Credit to the Agricultural Sector continued to grow to Rs. 18.6 lakh crore (US\$ 226 billion) in 2021-22.

ROAD AHEAD

The agriculture sector in India is expected to generate better momentum in the next few years due to increased investment in agricultural infrastructure such as irrigation facilities, warehousing, and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to the concerted effort of scientists to get early maturing varieties of pulses and the increase in minimum support price.

In the next 5 years, the central government will aim US\$ 9 billion in investments in the fisheries sector under PM Matsya Sampada Yojana. The government is targeting to raise fish production to 220 lakh tonnes by 2024-25. Going forward, the adoption of food safety and quality assurance mechanisms such as Total Quality Management (TQM) including ISO 9000, ISO 22000, Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP), and Good Hygienic Practices (GHP) by the food processing industry will offer several benefits.

Through the Ministry of Food Processing Industries (MoFPI), the Government of India is taking all necessary steps to boost investments in the food processing industry in India. Government of India has continued the umbrella PMKSY scheme with an allocation of Rs. 4,600 crore (US\$ 559.4 million) till March 2026.

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

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 13 of this Draft Letter of Offer for a discussion of the risks and uncertainties related to those statements and also "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 17 and 141 of this respectively, for a discussion and analysis of factors that may affect our business, financial condition, results of operations or cash flows. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our fiscal year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular "Fiscal" are to the 12 months ended March 31 of that year. All financial information included herein is given on a standalone basis unless stated otherwise. Please read "Presentation of Financial and Other Information" on page 78 of this Draft Letter of Offer before reading this section

Unless otherwise stated, all references in this section to "Sonalis" or "the Company" or "our Company" or "we" or "our" or "us" are to Sonalis Consumer Products Limited.

OUR BUSINESS

Our Company was incorporated as 'Sonalis Consumer Products Limited' pursuant to a Certificate of Incorporation dated March 15, 2022 issued by the Registrar of Companies, Central Registration Centre, as a Public Company under the provisions of the Companies Act, 2013. The Corporate Identification Number of our Company is U52109MH2022PLC378461. Further, Equity Shares of our company got listed and traded pursuant to Initial Public Offering on SME Platform of BSE Limited ("BSE SME") with effect from June 19, 2023.

Our company recently added a new object, with the approval of a special resolution passed at the Annual General Meeting held on 27th September 2024.

As part of its expansion into new business, our company has engaged into the business of contract farming, lease farming for grains, warehousing, storage rooms, godown rental service, cold storage, processing and distribution of raw agriculture products into market ready goods, supply of finished goods into the market across Maharashtra and Gujarat, with plan for nationwide distribution.

The financial performance of the Company is provided below:

(Amt in Rs. Lakhs)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023
Revenue from operations	4590.51	408.12	653.21
Total Income	4590.51	410.87	653.32
EBDITA	31.22	5.32	14.67
Profit Before Tax	25.61	2.56	2.89
Profit After Tax	18.00	2.13	0.30

MAIN OBJECTS OF OUR COMPANY AS PER THE MOA

1. To carry on business of buying, selling, processing, farming, manufacturing, distributorship, agency, broker, factors, stockiest, importer, exporter and otherwise deal in all kinds of organic and inorganic foods products and other consumable provision of every description for human consumption.
2. To carry on the business of warehousing, warehousemen, custodians, and to establish warehouses, storage rooms, godowns, cold storage, bins and to provide facilities for storage of commodities, merchandise, articles and things of any description, keepers of cold storages, storages chambers, ice-plants, warehouses, refrigerators, freezing houses and room coolers and to carry on and undertake storage, packing, removal carrying delivery, purchases, sale and exchange of fish, seafood, marine products and processed fish, seafood, marine products meats, eggs, poultry products, protein foods, milk, cream, cheese, butter, bacons, sausages, fruits, roots, vegetables or other substances made of all or any of them and canned, tinned and processed foods of every description.
3. To carry, collect, store, consign, distribute, transfer and deliver goods, wares, post, merchandise, parcels, packages, baggage, freight, animals, livestock, timber, coal, oil, ores and other minerals and other property of every description by any mode of transportation, and generally for such purposes to acquire, manage and operate warehouses, and bonded warehouses, act as agents for shippers and consigners, and to issue warehouse warrants and receipts and bills of lading.

CHANGES IN MEMORANDUM OF ASSOCIATION

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation

Sr. No.	Particulars	Date of Meeting	Type of Meeting
1	Increase in Authorised Share Capital from ₹ 10 Lakhs to ₹ 2 Crores.	17 th May, 2022	EGM
2	Increase in Authorised Share Capital from ₹ 2 Crores to 13.5 Crores.	27 th September,2024	AGM
3	Addition in object clause of the memorandum of association of the Company	27 th September, 2024	AGM

Our Company's registered office are as below:




HD-275, We Work Oberoi Commerz II, 20th floor, CTS No. 95, 4 B 3 & 4 590, Off W. E. Highway, Oberoi Garden City, Goregaon East, Mumbai - 400063, Maharashtra.

Godown facility are as below:

Revenue Survey No 217, Sub plot No3/1, Veraval Main Road, Veraval Shapar , Taluka: Kotda Sangani, Rajkot -360024, Gujarat.

Upcoming Products

Our product portfolio is diverse to cater to various demands by our customers, which are shown below:

Products Image	Product Name
	Mustard Seeds
	Niger Seeds
	Psyllium Seeds



Quinoa Seeds



Sesame Seed Hulled



Sesame Seeds



Bay Leaf



Black Pepper Powder



Blanch Peanuts



Cardamom Powder



Ajwain Seeds



Amaranth Seeds



Asaliya Seeds



Basil Seeds



Black Cumin Seeds

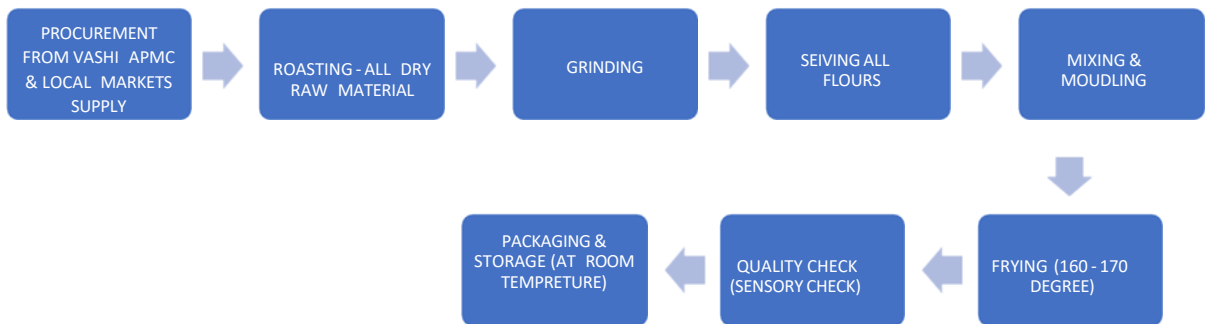


Coriander Seeds

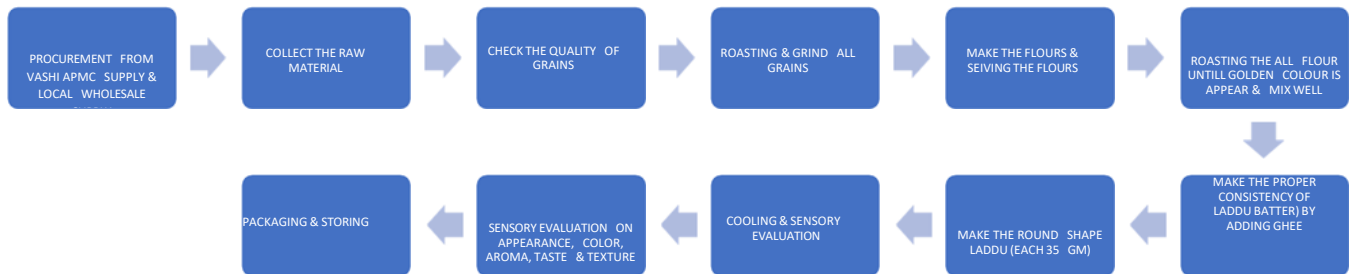
PROCESS OF MAKING PRODUCT

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

A. CHAKLI



B. LADDU



PROCESSING

The responsibility of processing department is material storage, production, maintaining products quality and product packaging.

- **RAW MATERIAL**

Best quality product procurement is stored at our raw material Godowns and warehouses.

- **PRE FUMIGATION**

Fumigation process to keep raw materials safe & at its best quality while storage.

- **CLEANING PROCESS**

This stage separates coarse and fine impurities from products via screening and classifies a broad range of material according to size, removes other material, foreign material, dust, light weight kernels, also optical removal of all metal particles, crushed material and removal of shriveled grains.

- **SORTEX PROCESS**

It's value addition process in which material is processed to remove discolor impurities

- **GRADING PROCESS**

It's one kind of separation process to maintain hygiene and healthy attributes in material.

- **AUTO-PACKING**

Uniform pre-set quantity is weighted by our automatic packaging technology and packed in BOPP laminated bags of best for food grade materials to ensure safety of material.

- **STERILIZATION / ETO**

Processed products are sterilized before storage, different set of process like steam sterilization or ETO as per client requirement is done to enhance product life.

- **POST FUMIGATION**

To increase shelf life against climatic conditions which spoils or degrades materials

- **FINISHED MATERIAL STORAGE**

Processes material is stored in well maintained storage godowns to prevent from rodents and any other infestations, till they reach to customers.



UTILITIES:

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

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

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

OUR BUSINESS STRENGTH

Quality standards

Quality plays one of the most vital role in the success of any organization. We are focused on providing quality products. We constantly strived to improve our industrial processes at every step in the production chain.

Continue to Focus on Strengthening Our Brands

We believe that our qualified and professional management team provides us a competitive advantage and enables us to function effectively and efficiently. Our management team have rich experience in the automotive industry. Our management team are supported by our experienced and professional management team having varied experience in finance, marketing, sales, product development, etc. Our management team brings focused abilities in product conceptualization to our business and we believe that their knowledge, global outlook and management ability would continue to contribute to our growth in future.

OUR BUSINESS STRATEGY

Wide spread sales and distribution network

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

Our existing manufacturing facility is strategically located in proximity to our key raw ingredient supplies. Our optimized distribution and supply process ensures reduced freight and logistics related time and cost.

Experienced promoter and management team

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

Brand Image

We would continue to associate ourselves with good quality customers and execute orders to their utmost satisfaction. We are highly conscious about our brand image and intend to continue our brand building exercise by providing excellent services to the satisfaction of the customers.

Continue to expand and increase production capacity

Our Company constantly endeavors to explore opportunities to expand our operations by developing new products and services within our existing lines of business. We expect that the increase in our product base will result in an increase in customer base and enable us target more customers and market segments.

Continue to improve operational efficiencies and cost competitiveness continuously

We continue to adopt best practices and standards across our manufacturing facilities, drawing on our management's expertise and experience in plant management. We continue to increase efficiencies through comprehensive product planning resulting in increased utilization rates and reduction in cost of production.

COMPETITION

Our Industry is fragmented consisting of large established players and small niche players. We compete with organized as well as unorganized sector on the basis of availability of product, product quality and product range. Further, there are no entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition. Industry is very competitive and we expect competition to continue and likely to increase in the future.

HUMAN RESOURCE

Our human resource policies are aimed towards creating a skilled and motivated work force. We believe in recognizing talent and potential in our employees and encouraging them to take additional responsibilities.

Recruitment is done on need basis as per set process i.e. requirement received from department head, proposed candidates shortlisted and interviewed by HR as per policy and after approval from approving authority, followed by selecting suitable candidate, joining and orientation.

Based on performance, we calibrate our employees and reward performance and loyalty by preferring in-house promotion to lateral hiring. We conduct training for various levels of employees to develop skill sets in our employees, which complements their key responsibility areas, and helping them perform with improved efficiency.

As on 31 March, 2024, we have employees in the following departments:

Sr. No.	Department details	No. of employees
1.	Operational Department	2
2.	Sales & Marketing Department	3
3.	Purchase & Procurement Department	3
4.	Legal and Compliance Department	1
	Total	9

MARKETING AND DISTRIBUTION ARRANGEMENT

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

on changing taste and preference of customers.

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

COLLABORATIONS, STRATEGIC ALLANCES & JOINT VENTURES

As on date of Draft Letter of Offer, we do not have any technical, performance guarantee collaborations with any parties & nosubsidiary, joint ventures or any strategic alliances.

INSURANCE

Our Company has not taken any insurance policy related to our registered office, manufacturing facilities and the properties that we operate our operations of our Company. See “Risk Factors – Our Company has not taken any insurance which may expose our company from potential losses to which we may be subject to risk and this may have a material effect on our business and financial condition” on page 17 of this Draft Letter of offer.

INTELLECTUAL PROPERTY RIGHTS

As on the date of this Draft Letter of Offer, our company has not applied for registration for any intellectual property rights. With regards to risks associated with the same, please refer section titled “*Risk Factors*” on page 17 of this Draft Letter of Offer.

As at the date of this Draft Letter of Offer, following are the details of intellectual properties of the Company:

EXPORTS AND EXPORT OBLIGATION

We do not have any export or export obligation.

CORPORATE SOCIAL RESPONSIBILITY

We as a responsible corporate citizen are committed to take up different developmental projects, towards improving the quality of lives of the underprivileged sections of the society and other stakeholders. We are not required to constitute a Corporate Social Responsibility Committee as our Company falls within purview of Section 135(1) of the Companies Act, 2013. We are also not required to formulate a policy on corporate social responsibility.

LAND AND PROPERTY

As of the date of this Draft Letter of offer, the properties which we own or rent and operate from include the following:

Shop Name	Rent/Own	Address
Registered office	Rent	HD-275, We Work Oberoi Commerz II, 20th floor, CTS No. 95, 4 B 3 & 4 590, Off W. E. Highway, Oberoi Garden City, Goregaon East, Mumbai, Goregaon East, Maharashtra, India, 400063
Godown of our Company	Rent	Revenue Survey No 217, Sub plot No3/1 Serval Shapar Taluka:Kotda Sangani District:Rajkot-360024.

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OUR MANAGEMENT

BOARD OF DIRECTORS

The Following table sets forth details regarding the Board of Directors as of the date of this Draft Letter of Offer:

Name, Father's Name, Address, Date of Birth, Age, Designation, Status, DIN, Occupation and Nationality	Other Directorships
<p>Sonali Nilesh Kocharekar Father's Name: Gajanan Vithal Chavan Designation: Chairman and Managing Director Address: 406/D1, Mahindra Colony, Western Express Highway Road, Near Nancy Depot, Shree Krishna Nagar, Borivali East, Mumbai, Maharashtra, 400066 Occupation: Nutritionist/Business Qualification: Diploma in Pharmacy from SNTD College, Mumbai and Bachelor's in Business Administration (BBA) from Pondicherry University, Directorate of Distance Education. Date of Original Appointment: March 15, 2022 Nationality: Indian Date of Birth: October 06, 1984 Current Term: For a period of five years and is liable to retire by rotation DIN: 09536461</p>	Nil
<p>Smita Shashikant Shah Father's Name: Late Rajababu Devidas Kapadia Designation: Whole Time Director Address: D-504, Yudhishtir CHS, L.T.D. Link Road, Near Anand Nagar, N. L. Complex, Dahisar East, Mumbai, Maharashtra, 400068 Occupation: Business Qualification: Bachelors degree in Commerce from Marathwada University Date of Original Appointment: March 15, 2022 Nationality: Indian Date of Birth: June 1, 1961 Current Term: Liable to retire by rotation DIN:09536462</p>	Nil
<p>Sundeep Paul Menezes Father's Name: Archibald Lawrence Menezes Designation: Independent Director Address: E-502, Yudhistir, N.L. Complex, Dahisar East, Mumbai, Maharashtra, 400068 Occupation: Professional Qualification: Graduation in Business Management from Sikkim-Manipal University Date of Original Appointment: August 20, 2022 Nationality: Indian Date of Birth: December 22, 1973 Current Term: Liable to retire by rotation. DIN: 09706081</p>	Nil
<p>Ekta Anuj Chugani Father's Name: Suresh Jethanand Wadhwani Designation: Independent Director Address: 2304, A Wing, Transcon Triumph, VLG, Amboli Hill Road, Andheri West, Mumbai Suburban, Maharashtra - 400053 Occupation: Business Qualification: Masters degree in Management (Finance) from Mumbai University Date of Original Appointment: August 20, 2022 Nationality: Indian Date of Birth: December 27, 1983 Current Term: Liable to retire by rotation. DIN: 09708289</p>	Nil
<p>Sanjay Rajkumar Dua Father's Name: Rajkumar Rajaram Dua Designation: Executive Director Address: 301 A, Mahaveer Heights Behind Brooklyn Park, Near Agrawal lifestyle, opposite Bhoomi Acropolis, Global City, Vihar (West), PO: Bolinj Dist: Palghar, Maharashtra 401303.</p>	1. NAKSH PRECIOUS METALS LIMITED

Occupation: Business Qualification: 12 th Date of Original Appointment: 20/05/2024 Nationality: Indian Date of Birth: 26/12/1965 Current Term: Liable to retire by rotation. DIN: 10537921	
Mr. Devendrakumar Keshvlal Viradiya Father's Name: Keshavbhai Bhurabhai Virdiya Designation: Non - Executive Director Address: Block No. 42, Shrinathji Park - 2, Behind Ramdhan, Mavdi By Pass, Rajkot – 360004, Gujarat Occupation: Business Qualification: 10 th Date of Original Appointment: 31/10/2024 Nationality: Indian Date of Birth: 18/03/1976 Current Term: Liable to retire by rotation. DIN: 10825880	Nil

Brief about Directors

Ms. Sonali Nilesh Kocharekar, aged 39 years, has been director on the Board since incorporation. She has completed her diploma in Pharmacy from SNTD College, Mumbai; and has completed her bachelor's in Business Administration (BBA) from Pondicherry University, Directorate of Distance Education. She has more than 12 years of experience being a dietician/nutritionist. She is also a prominent member on the Nutrition Technology Panels Several Organizations. She is Engaged with state-run programs & NGOs to provide low-cost daily interventions of nutrition that address issues of malnutrition & depleted immunity in groups of unprivileged populations through an integrated & sustainable approach. Under her dynamic leadership, our Company will grow immensely. Further, she has been associated with the Company as a Promoter. She is responsible for the manufacturing and overall working of the Company and is instrumental in making strategic decisions for the Company.

Ms. Smita Shahshikant Shah, aged 61 years, is the Whole Time Executive Director & Woman Director of our Company w.e.f. March 15, 2022. She is also a Promoter of our Company. She holds a Bachelor's degree in commerce from Marathwada University. Before coming on board, she had co-founded Appetite Food with Ms. Sonali Kocharekar, and they then decided to exponentially grow and extend the scope of business with this venture. Her passion for all things food related along with her great work ethic and philanthropic qualities, makes her a valuable asset for the Company, and drive will help the Company achieve its future goals. She is currently managing new recipe creation in the Company.

Ms. Ekta Chugani, aged 40 years, is an Independent Director of our Company with effect from August 20, 2022. She holds a Master's degree in Management (Finance) from Mumbai University. She has a vast experience of 12+ years, having worked with leading MNC's/organizations like Fujitsu, Dell, and HDFC in varied roles. 110

Mr. Sundeep Paul Menezes, aged 49 years, is an Independent Director of our Company with effect from August 20, 2022. He holds a Bachelor degree in Business Management from Sikkim-Manipal University. He has extensive experience of 26+ years in senior HR, office administration & customer services roles working with organizations like Samsung Engineering, Intelnet Global, and Gheewala Global HR.

Mr. Sanjay Kumar Dua, aged 58 years, is a Director of our Company with effect from May 20, 2024. He has completed his B.com from Rajasthan University. He has over 26 years of experience in Export & Import and Customs Clearing Forwarding. He has more than 10 years of experience in financial sector. Presently, he is a Vice President in Harmony Capital Services Limited.

Mr. Devendrakumar Keshvlal Viradiya, aged 48 years, is a Non-Executive Director of our company with effect from October 31, 2024. He has completed his senior secondary education. has over 13 years of experience in real estate and infrastructure businesses.

Confirmations

As on date of this Draft Letter of Offer

- None of the Directors are/ were directors of any company whose shares were suspended from trading by Stock Exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five (5) years.
- None of the Directors are on the RBI List of willful defaulters.
- None of the Directors are/ were directors of any listed entity whose shares were delisted from any Stock Exchange(s).
- Further, none of the directors are/ were directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other Regulatory Authority.

E. None of the Directors are declared Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Arrangements with major Shareholders, Customers, Suppliers or Others

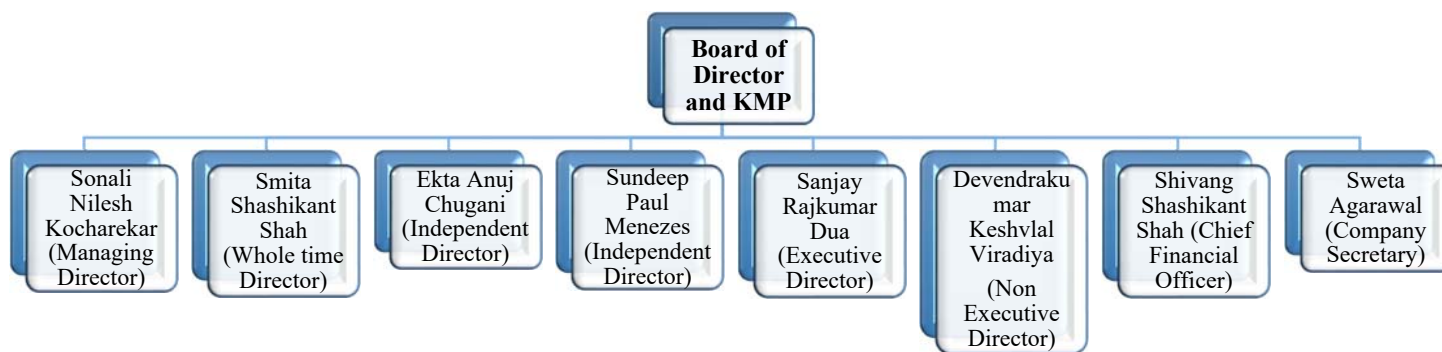
There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a director or member of a senior management as on the date of this Draft Letter of Offer.

Service Contracts

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel are entitled to any benefits upon termination of employment.

Management Organization Structure

The following chart depicts our Management Organization Structure:



COMPLIANCE WITH CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013, with respect to the Corporate Governance, provisions of the SEBI Listing Regulations except Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and Para C, D, and E of Schedule are applicable to our company.

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:

- 1) Audit Committee
- 2) Nomination and Remuneration Committee
- 3) Stakeholders' Relationship Committee

TERMS OF REFERENCE OF VARIOUS COMMITTEE:

1. Audit Committee

Our Company has Reconstituted the Audit Committee vide resolution passed in the meeting of Board of Directors held on May 20, 2024 as per the applicable provisions of the Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended). The constituted Audit Committee comprises following members.

Name of the Director	Nature of Directorship	Position in Committee
Sundeep Paul Menezes	Non-Executive Independent Director	Chairman
Ekta Anuj Chugani	Non-Executive Independent Director	Member
Sonali Nilesh Kocharekar	Managing Director	Member

The Company Secretary of our Company shall act as a Secretary of the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to financial statements. The scope, functions and the terms of reference of the Audit Committee is in accordance with the Section 177 of the Companies Act, 2013 and Regulation 18 (3) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Stakeholders Relationship Committee

Our Company has Reconstituted the Stakeholder Relationship Committee vide resolution passed in the meeting of Board of Directors held on May 20, 2024 as per the applicable provisions of the Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended). The constituted Stakeholder Relationship Committee comprises following members.

Name of the Director	Nature of Directorship	Position in Committee
Sundeep Paul Menezes	Non-Executive Independent Director	Chairman
Ekta Anuj Chugani	Non-Executive Independent Director	Member
Sonali Nilesh Kocharekar	Managing Director	Member

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee.

3. Nomination and Remuneration Committee

Our Company has Reconstituted the Nomination and Remuneration Committee vide resolution passed in the meeting of Board of Directors held on May 20, 2024 as per the applicable provisions of the Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended). The constituted Nomination and Remuneration Committee comprises following members.

Name of the Director	Nature of Directorship	Position in Committee
Sundeep Paul Menezes	Non-Executive Independent Director	Chairman
Ekta Anuj Chugani	Non-Executive Independent Director	Member
Sonali Nilesh Kocharekar	Managing Director	Member

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee.

Our Key Management Personnel and Senior Management Personnel

Our Company is managed by Managing Director and assisted by Board of Directors along with the qualified experienced professionals, who are permanent employees of our Company. Set forth below are the details of our Key Managerial Personnel and senior Management Personnel as on the date of filing of this Draft Letter of Offer:

Name of Key Management Personnel	Designation	Date of Appointment	Qualification	Previous employment
Sonali Nilesh Kocharekar	Managing Director	15/03/2022	Diploma in Pharmacy from SNDT College, Mumbai and Bachelor's in Business Administration (BBA) from Pondicherry University, Directorate of Distance Education.	She had co-founded Appetite Food
Smita Shashikant Shah	Whole-time director	15/03/2022	Bachelors degree in Commerce from Marathwada University	She had co-founded Appetite Food
Shivang Shashikant Shah	Chief Financial Officer	03/09/2022	He holds a Bachelor degree in Commerce from Mumbai University	He was associated with MNC's like DELL & Huawei
Sweta Agarawal	Company Secretary and Compliance Officer	18/11/2024	She is a member of Institute of Company Secretaries of India.	

OUR PROMOTERS

Our Promoters are Mrs.Sonali Nilesh Kocharekar, and Mrs.Smita Shashikant Shah. As on date of this the Promoters of our Company holds, in aggregate of 7,68,547 Equity Shares constituting 38.59% of our issued, subscribed and paid-up equity share capital.

Brief Profile of our Promoters Bhavin

OUR PROMOTERS

Our Promoters are Mrs.Sonali Nilesh Kocharekar, and Mrs.Smita Shashikant Shah. As on date of this Draft Letter of Offer, our Promoters hold an aggregate of 7,68,547 Equity Shares, aggregating to 38.59% of the pre- issued, subscribed and paid-up Equity Share capital of our Company. For further details, please refer to the 'Capital Structure' beginning on page 38 of this Draft Letter of Offer.

Details of Individual Promoters of our Company

Sonali Nilesh Kocharekar, aged 38 years, has been director on the Board since incorporation Managing Director w.e.f. March 15, 2022. She has completed her diploma in Pharmacy from SNTD College, Mumbai; and has completed her bachelor's in Business Administration from Pondicherry University, Delhi Board. She has more than 12 years of experience being a dietician/nutritionist. She is also a prominent member on the Nutrition Technology Panels Several Organizations. She is associated with the Company since its inception as a Promoter. She is Engaged with state-run programs & NGOs to provide low-cost daily interventions of nutrition that address issues of malnutrition & depleted immunity in groups of unprivileged populations through an integrated & sustainable approach. Under her dynamic leadership, our Company will grow immensely. Further, she has been associated with the Company as a Promoter. She is responsible for the manufacturing and overall working of the Company and is instrumental in making strategic decisions for the Company.

Smita Shashikant Shah, aged 61 years, is the Whole Time Executive & Woman Director of our Company and is associated with our Company since incorporation. She holds a Bachelor degree in Commerce from Marathwada University, Maharashtra. Before coming on Board, she had co-founded Appetite Food with Ms. Sonali Kocharekar, and they then decided to exponentially grow and extend the scope of business with this venture. Her passion for all things food related along with her great work ethic and philanthropic qualities, makes her a valuable asset for the Company, and drive will help the Company achieve its future goals. She is currently managing new recipe creation in the Company.

Confirmations

1. Our Promoters have not been declared as a Wilful Defaulter or a Fraudulent Borrower by the RBI or any other governmental authority and there are no violations of securities laws committed by it in the past or is currently pending against it.
2. Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
3. Our Promoters have 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. None of our Promoters is and has never been a 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.

Save and except as disclosed in "Outstanding Litigations and Material Developments – Litigation involving our Promoters" on page 147, there are no litigation or legal action pending or taken by any Ministry, Department of the Government or statutory authority during the last 5 years preceding the date of the Issue against our Promoters.

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RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last three Fiscals, as per the requirements under Ind AS 24 read with SEBI ICDR Regulations and as reported in the Audited Financial Statements, see section titled "Financial Information" at page 78 of this Letter of Offer. For details of the related party transactions, during the 77, as per the requirements under the Ind AS 24 and as reported in the Audited Financial Statements, see section titled "Financial Information" at page 78 of this Letter of Offer.

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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, consolidated 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. We have not declared any dividend in the previous three (3) financial years immediately preceding this issue.

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SECTION VI – FINANCIAL INFORMATION
AUDITED FINANCIAL STATEMENTS

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Independent Auditor, Review Report on Half yearly Unaudited Standalone Financial Result of Sonalis Consumer Products Limited pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 (2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended.

To,
The Board of Directors,
Sonalis Consumer Products Limited

1. We have reviewed the accompanying statements of unaudited IND-AS Financial Results of **Sonalis Consumer Products Limited** ("the Company") for the half year ended September 30, 2024 ("The Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended ("the Regulations").
2. This Statement which is the responsibility of the Company's Management and has been approved by the Board of Director's, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting principles generally accepted in India and in compliance with Listing Obligations. Our responsibility is to issue a report these financial statements based on our review.
3. 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted and procedures performed as stated in paragraph 3 above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34, prescribed under Section 133 of the companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S S R V & Associates
(Chartered Accountants)
Firm Reg. No.: 135901W


Vishnu Kant Kabra
(Partner)
M. No.: 403437
Place: Mumbai
Date: 31st October, 2024
UDIN: 24403437BKAKYY8897



SONALIS CONSUMER PRODUCTS LIMITED
CIN: U15490MH2022PLG378461
Unaudited Standalone Balancesheet for the half year ended 30th September, 2024

(Rs. in Lakhs)

Particulars	As at 30.09.2024 Unaudited	As at 31.03.2024 Audited
ASSETS		
(1) Non-current assets		
(a) Property, Plant and Equipment	1.99	7.30
(b) Capital work-in-progress		
(c) Investment Property		
(d) Goodwill		
(e) Other Intangible assets		
(f) Intangible assets under development		
(g) Biological Assets other than bearer plants		
(h) Financial Assets		
(i) Investments		
(ii) Trade receivables		
(iii) Loans		
(iv) Others (to be specified)		
(i) Deferred tax assets (net)		
(j) Other non-current assets		
(2) Current assets		
(a) Inventories	355.18	408.36
(b) Financial Assets		
(i) Investments		94.36
(ii) Trade receivables	4,097.28	111.70
(iii) Cash and cash equivalents	106.56	
(iv) Bank balances other than (iii) above		
(v) Loans	17.63	1.84
(vi) Others (Advance to Suppliers)	101.48	-
(c) Current Assets (Net)		405.61
(d) Other current assets	-	
Total Assets	4,680.11	1,029.19
EQUITY AND LIABILITIES		
(1) Equity		
(i) Equity Share capital	199.90	199.90
(ii) Other Equity & Reserves	384.19	366.20
(2) LIABILITIES		
(i) Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	227.72	195.82
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		
(b) Provisions		
(c) Deferred tax liabilities (Net)	2.55	1.60
(d) Other non-current liabilities		
(ii) Current liabilities		
(a) Financial Liabilities		
(i) Short Term Borrowings	-	1.15
(ii) Trade payables	3,837.20	245.72
(iii) Other financial liabilities (other than those specified in item (c))		
(b) Other current liabilities	10.90	-
(c) Provisions	10.98	5.91
(d) Current Tax Liabilities (Net)	6.66	12.89
Total Equity and Liabilities	4,680.11	1,029.19

For & On Behalf of the Board
SONALIS CONSUMER PRODUCTS LTD



Shava
SONALI NRESH KOCHAR
(Director)
DIN: 09536461



Shah
SHASHIKANT SHAH
(Director)
DIN: 09536462

SONALIS CONSUMER PRODUCTS LIMITED				
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR HALF YEAR AND YEAR ENDED AS ON 30th September 2024				
(Rs. In Lakhs)				
Sr. No.	Particulars	Six month Ended as on 30.09.2024	Six month Ended as on 30.09.2023	For The Year Ended as on 31.03.2024
		Unaudited	Unaudited	Audited
I	Revenue from Operations	4,590.51	344.92	408.12
II	Other Income		3.20	2.75
III	Total Income (I+II)	4,590.51	348.12	410.87
IV	Expenses			
	(a) Cost of materials consumed	-	-	-
	(b) Purchases of stock in trade	4,490.31	531.97	453.85
	(c) Changes in inventories of finished goods, work in progress and Stock-in-Trade	53.18	259.95	(108.15)
	(d) Employee benefits expense	8.96	11.12	19.85
	(e) Finance costs	0.30	0.37	0.47
	(f) Depreciation and amortisation expense	5.31	3.61	2.29
	(g) Other expenses	6.84	27.68	40.00
V	Total Expenses	4,564.90	314.80	408.31
VI	Profit before exceptional, extraordinary and prior period items and tax(III-V)	25.61	33.32	2.56
VII	Exceptional items, Extraordinary and Prior Period Items			
VIII	Profit before tax (VI-VII)	25.61	33.32	2.56
IX	Tax Expenses:			
	(a) Current Tax	6.66	10.00	0.55
	(b) Deferred Tax	0.95	0.86	(0.12)
X	Profit/(loss) for the period from continuing operations (VIII-IX)	18.00	22.46	2.13
XI	Profit/(loss) from discontinuing operations	-	-	-
XII	Tax expense from discontinuing operations	-	-	-
XIII	Profit/(loss) from discontinuing operations (after tax)	-	-	-
XIV	Profit / (Loss) for the Period	18.00	22.46	2.13
	Reserves excluding revaluation reserves as per balancesheet of previous accounting year	366.20	389.78	175.56
XV	Paid up Equity Share Capital (Face Value of Rs. 10/- each)	199.90	199.90	199.90
XVI	Earnings per equity share of Rs 10/- each			
	Basic	0.09	1.12	0.01
	Diluted	0.09	1.12	0.01

For & On Behalf of the Board
SONALIS CONSUMER PRODUCTS LTD



S. N. Kocharekar
SONALI
NILESH
KOCHAREKAR

(Director)

DIN: 09536461

S. Shashikant Shah

SMITA
SHASHIKANT
SHAH

(Director)

DIN: 09536462

SONALIS CONSUMER PRODUCTS LIMITED
CIN : U15490MH2022PLC378461
CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH SEPTEMBER, 2024

(Amt in "Lakhs")

Particulars	For the Year ended September 30, 2024 (Unaudited)	For the Year ended March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	25.61	2.13
Adjustments for:		
Depreciation and amortisation expense	5.31	2.29
Interest expenses	0.30	0.47
Sundry Balances Written Off	-	2.43
Operating profit / (loss) before working capital changes	31.22	7.32
Changes in working capital:		
Increase / (Decrease) in trade payable	3,591.48	165.66
Increase / (Decrease) in short term borrowing	(1.15)	(32.87)
Increase / (Decrease) in provisions	5.07	(15.07)
Increase / (Decrease) in Financial liabilities	-	(0.12)
Increase / (Decrease) in other current liabilities	4.67	1.54
(Increase) / Decrease in short term loan and advances	(4,002.91)	(8.08)
(Increase) / Decrease in trade receivables	53.18	(108.15)
(Increase) / Decrease in inventories	405.61	-
(Increase) / Decrease in other current assets	(117.26)	(311.39)
(Increase) / Decrease in Advances	(61.32)	(308.48)
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	(30.10)	(301.15)
Less: Taxes paid	(6.66)	-
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	(36.76)	(301.15)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible / intangible assets	-	(3.67)
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES	-	(3.67)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest expenses	(0.30)	-
Proceeds from issue of equity shares	-	94.40
Securities Premium from issue of equity shares	-	188.80
(Increase) / Decrease in long term loan and advances	31.90	-
Increase / (Decrease) in long term borrowing	-	-
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES	31.61	283.20
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(5.15)	(21.62)
Cash and Cash equivalents at beginning period	111.70	133.32
Cash and Cash equivalents at end of period	106.55	111.70

This Cash Flow Statement has been prepared as per "Indirect Method" as prescribed by Accounting Standard -3 (revised) "Cash Flow Statements"

For & On Behalf of the Board
SONALIS CONSUMER PRODUCTS LTD


SONALI NILESH
KOCHAREKAR
Director
Din : 09536461


SMITA
SHASHIKANT SHAH
Director
Din : 09536462





INDEPENDENT AUDITOR'S REPORT

To the Members of SONALIS CONSUMER PRODUCTS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements **Sonalis Consumer Products Limited** ("the Company"), which comprise the Balance sheet as at 31st March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations and management representation letter given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of



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E-mail: ssrvandassociates@gmail.com, ssrvandassociates@ssrv.in | Tel: 022-47818886,87,88,89

accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the director's on March 31, 2024 and upto the date of signing of this audit report, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

A whole time Company secretary appointed by the company has resigned wef 30th April, 2024, however the company has accepted her resignation on 04th May, 2024 and the same has been communicated to the BSE.

Company has authorized to Mrs.Sonali Nilesh Kocharekar, Managing Director the Company to also act as a Compliance Office of the Company and same also has been intimated to BSE vide letter dt 06th May, 2024.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

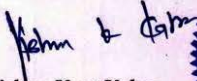
In our opinion and to the best of our information and according to the explanations given to us, the



remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transfer ring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For S R V and Associates
Chartered Accountants
Firm Reg. No.: 135901W


Vishnu Kant Kabra
Partner

Membership No.: 403437
Place: Mumbai
Date: 14th June, 2024
UDIN: 24403437BKAJPL3731



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SONALIS CONSUMER PRODUCTS LIMITED. of even date)

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

We have audited the internal financial controls over financial reporting of SONALIS CONSUMER PRODUCTS LIMITED. (the "Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the account in records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial control over financial reporting included obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls over Financial Reporting

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

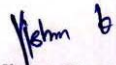
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For S S R V and Associates
Chartered Accountants
Firm Reg. No.: 13507


Vishnu Kant Kabra
Partner



Membership No.: 403437
Place: Mumbai
Date: 14th June, 2024
UDIN: 24403437BKAJPL3731

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SONALIS CONSUMER PRODUCTS LIMITED. of even date)

- i. In respect of the Company's tangible & intangible assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of tangible & intangible assets.
 - (b) The Company has a program of verification to cover all the items of tangible & intangible assets in a phased manner which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain tangible & intangible assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us Company do not have any immovable properties.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment or intangible assets or both during the year.
 - (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and Rules made thereunder.
- ii. (A) The Company is a Manufacture, Retailer & Wholesaler of Snacks. Accordingly, the Management has conducted Physical Verification of Inventory at Reasonable interval during the year and no Material discrepancies between physical inventory and book records were notice on physical verification and the valuation of closing stock has been certified by the management and we have relied on the same. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(B) According to the information and explanations given to us and on the basis of our examination of the records of the Company, does not have working capital limits in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- iii. The Company has during the year, not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clauses 3(iii) of the Order are not applicable.
- iv. According to the information and explanation given to us, the company has no loans, investments, guarantees or security where provisions of section 185 and 186 of the Companies Act, 2013 are to be complied with.



- v. The company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2024 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax and other material statutory dues applicable to it with the appropriate authorities. Further, apart from Income tax of FY 2022-23 & Profession tax no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) Except above, There are no dues in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, Goods and services tax, and any other statutory dues that have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix.
- a) According to the information and explanations given to us and based on examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowing or in the payment of interest thereon to any financial institution or bank. The Company did not have any loans or borrowings from government during the year.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.



- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- x. (a) The Company has raised moneys by issuing 944000 equity shares of Rs.10/- each with premium at Rs.20/- per share by way of initial public offer and got listed on SME platform of Bombay Stock Exchange on 19th June 2023.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.
- xiv. a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) According to the information and explanations given to us, no internal audit done.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.



(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

- xvii. According to the information and explanation given to us, the company has not incurred any cash losses in financial year and immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. In our opinion and according to information and explanation given to us, the company can meet the liability which are exist as at the balance sheet date when such liabilities are due in the future.
- xx. According to the Information and explanation given to us, the company has not under obligation of corporate social responsibility, so there is no amount which remain unspent and need to transfer under special accounts in accordance with section 135 of the companies Act, 2013. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

Our opinion is not modified in respect of this matter.

For S S R V and Associates

Chartered Accountants

Firm Reg. No.: 135901M

Vishnu Kant Kabra

Vishnu Kant Kabra

Partner







M. No.: 403437

Place: Mumbai

Date: 14th June, 2024

UDIN: 24403437BKAJPL3731



SONALIS CONSUMER PRODUCTS LIMITED			
CIN: U15490MH2022PLC378461			
Balance sheet at March 31, 2024			
All amounts are ₹ in Lakhs unless otherwise stated			
Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
Assets			
1 Non-current assets			
a. Property, plant and equipment	2	7.30	5.93
b. Intangible assets	3	-	-
c. Intangible assets under development	3	-	-
d. Investment in subsidiaries, associates, joint ventures & Partnership firm	4	-	-
e. Financial assets			
i. Other investments	5	-	-
ii. Non-current loans	6	-	-
iii. Other financial assets	7	-	2.47
f. Non-current tax assets (net)	8	-	-
g. Deferred tax asset (net)	9	-	-
g. Other non-current assets	9	-	-
Total non-current assets		7.30	8.39
2 Current assets			
a. Inventories	10	408.36	300.21
b. Financial Assets			
i. Trade receivables	11	94.36	86.29
ii. Cash and cash equivalents	12	111.70	133.32
iii. Bank balances other than (ii) above	12	-	-
iv. Other financial assets	7	1.84	0.36
d. Other current assets	9	405.61	96.45
Total current assets		1,021.88	616.63
Total assets		1,029.19	625.02
Equity and liabilities			
Equity			
a. Equity share capital	13	199.90	105.50
b. Other equity	14	366.20	175.56
Total Equity		566.10	281.06
Liabilities			
1 Non-current liabilities			
a. Financial liabilities			
i. Borrowings	15	195.82	228.66
b. Provisions	16	-	-
c. Deferred tax liability (net)	17	1.60	1.72
Total non-current liabilities		197.42	230.38
2 Current liabilities			
a. Financial liabilities			
i. Borrowings	15	1.15	1.18
ii. Trade payables	18	245.72	80.05
iii. Other financial liabilities	19	-	-
b. Provisions	16	5.91	20.98
c. Other current liabilities	20	12.89	11.35
Total current liabilities		265.67	113.57
Total liabilities		463.09	343.96
Total Equity and Liabilities		1,029.19	625.02
See accompanying notes to the financial statements 1.00			
<p>This is the Balance Sheet referred to in our Report of even date. For S R V and Associates Chartered Accountants FRN.: 135901W</p>			
For and on behalf of the Board SONALIS CONSUMER PRODUCTS LTD			
 Vishnu Kant Kabra Partner M.No.: 403437 Date: 14th June, 2024 Place: Mumbai UDIN : 24403437BKAJPL3731	 CFO Shivang Shah	 Director Smita S. Shah DIN : 09536462	 Managing Director & Compliance officer Sonali N. Kocharekar DIN : 09536461
			
			

SONALIS CONSUMER PRODUCTS LIMITED
CIN: U15490MH2022PLC378461
Statement of profit and loss for the year ended March 31, 2024
All amounts are ₹ in Lakhs unless otherwise stated

	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I Revenue from operations	21	408.12	653.21
II Other Income	22	2.75	0.11
III Total Income (I + II)		410.87	653.32
IV Expenses			
Purchases of raw materials		453.85	811.86
Changes in inventories	23	-108.15	-300.21
Employee benefits expense	24	19.85	38.25
Finance costs	25	0.47	0.95
Depreciation and amortisation expense	26	2.29	10.83
Other expenses	27	40.00	88.76
Total expenses (IV)		408.31	650.43
V Profit/(Loss) before tax (III - IV)		2.56	2.89
VI Tax expenses			
Current tax		0.55	0.87
Deferred tax	17	-0.12	1.72
		0.43	2.59
VII Profit/(Loss) for the year (V - VI)		2.13	0.30
VIII Extra Ordinary Items			
IX Total comprehensive (loss)/income for the year (VII + VIII)		2.13	0.30
Earnings per equity share			
(1) Basic (in ₹)		0.01	0.00
(1) Diluted (in ₹)		0.01	0.00

See accompanying notes to the financial statements

For S S R V and Associates
Chartered Accountants
FRN.: 135901W


Vishnu Kant Kabra
Partner
M.No.: 403437
Date: 14th June, 2024
Place: Mumbai
UDIN : 24403437BKAJPL3731



For and on behalf of the Board
SONALIS CONSUMER PRODUCTS LTD


Shivang Shah
CFO


Smita S. Shah
Director
DIN : 09536462


Sonali N. Kocharekar
Managing Director &
Compliance officer
DIN : 09536461



SONALIS CONSUMER PRODUCTS LIMITED
CIN: U15490MH2022PLC378461
Statement of Cash flow for the year ended March 31, 2024
All amounts are ₹ in Lakhs unless otherwise stated

	For the year ended March 31, 2024	For the year ended March 31, 2023
1 Cash flow from operating activities		
Profit / (Loss) Before tax	2.13	2.89
Adjustments for :		
Depreciation, amortisation and impairment	2.29	10.83
Finance costs	0.47	0.95
Unwinding of expenses for Security deposit as per Ind AS	-	-
Profit on sale of property, plant & equipment	-	-
Impact of Gratuity	-	-
Sundry Balances Written Off	2.43	0.11
Interest income	-	-
Operating profit before working capital changes	7.32	14.78
Adjustments for changes in :		
Increase / (Decrease) in trade payables	165.66	80.05
Increase / (Decrease) in other current liabilities	1.54	12.21
Increase / (Decrease) in Short term borrowings	-32.87	228.99
Increase / (Decrease) in Other Financial Liabilities	-0.12	1.72
Increase / (Decrease) in Short term Provisions	-15.07	20.98
(Increase) / Decrease in trade receivables	-8.08	-86.29
(Increase) / Decrease in Advances	-311.39	-102.93
(Increase) / Decrease in inventories	-108.15	-300.21
(Increase) / Decrease in Other Current Assets	-	-
Cash generated from operations	-301.15	-130.69
Income tax paid	-	-
	[A]	-130.69
2 Cash flow from investing activities		
Payments for acquisition of Property, Plant & Equipments	-3.67	-16.76
Sale of Property, Plant & Equipments	-	-
Interest received	-	-
Deposits for new Projects	-	-
Decrease/(increase) in non current loans and advances given [Net]	-	-
Investment (made)/ withdrawn from Subsidiary, Associates, firms & Joint ventures	-	-
	[B]	-16.76
3 Cash flow from financing activities		
Proceeds from/Repayments of borrowings [Net]	188.80	175.26
Proceeds from Security Premium	-	-
Finance Cost	-	-
Proceeds from Issue of Shares	94.40	105.50
	[C]	280.76
Net cash Inflow / (outflow) [A+B+C]	283.20	280.76
Openings cash and cash equivalents	-21.62	133.32
Closing cash and cash equivalents	133.32	-
	111.70	133.32

See accompanying notes to the financial statements

For S S R V and Associates
Chartered Accountants
FRN.: 135901W

Vishnu Kant Kabra
Partner
M.No.: 403437
Date: 14th June, 2024
Place: Mumbai
UDIN : 24403437BKAJPL3731



(Signature)
CFO
Shivang Shah

For and on behalf of the Board
SONALIS CONSUMER PRODUCTS LTD

(Signature) Director
Smita S. Shah
DIN : 09536462

(Signature) Managing Director & Compliance officer
Sonali N. Kocharekar
DIN : 09536461



SONALIS CONSUMER PRODUCTS LIMITED
Notes to Financial Statements for the year ended 31st March, 2024

Note 1: Significant Accounting Policies

Basis of preparation:

The financial statements of the company have been prepared in accordance with Indian Accounting Standards ('Ind AS'), notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Use of Estimates:

The preparation of financial statements in conformity with Indian Accounting Standards ('Ind AS') requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Although in current year company does not have revenue.

Taxation:

Since a company is incurring a profit Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Also Deferred Tax for timing difference between profits and book profits is accounted for, using tax rates and laws that have been enacted or substantially is not enacted as of the Balance Sheet Date. Deferred Tax Assets/Liabilities are recognized to the extent there is reasonable certainty that these assets/liabilities can be realised/accrued in future.

Fixed Asset:

Property, plant and equipment are valued at cost of acquisition or construction less accumulated depreciation and impairment loss. The Company capitalises all costs relating to the acquisition, installation and construction of property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized instatement of profit or loss as incurred.

Depreciation is provided on the assets on their original costs up to their net residual value estimated at 5% of the original cost, prorata to the period of use on the written down value method, over their estimated useful life. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

Inventories:

Inventories are valued at cost or net realizable value, whichever is lower. Moreover, inventories are certified by the management and same is incorporated in financial statement of accounts.



A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually retaining. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Contingent Liabilities:

A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the concurrency or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability.

Cash and Cash Equivalents:

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

Company has a some huge value of cash balance at the end of the year as most of the revenue collection is from retail customers who prefers to pay through cash.

As per our report of even date
For S S R V and Associates
Chartered Accountants
FRN: 135901W



Vishnu Kant Kabra
Vishnu Kant Kabra
Partner
Membership No.: 403437
Date: 14th June, 2024
Place: Mumbai
UDIN: 24403437BKAJPL3731

For & On Behalf of the Board
SONALIS CONSUMER PRODUCTS LIMITED

Sonal Nilesh Kocharekar
Sonal Nilesh Kocharekar
Director & Compliance Officer
Din: 09536461

Smita Shashikant Shah
Smita Shashikant Shah
Director
Din: 09536462

Shivang Shah
Shivang Shah
CFO



SONALIS CONSUMER PRODUCTS LIMITED
Notes forming part of the financial statements
All amounts are ₹ in Lakhs unless otherwise stated

2 Property, plant and equipment

Description of assets	Electrical Equipment	Computers & Printer	Mobile	Furniture & Fixtures	Plant & Machinery	Vehicle	Total
Deemed Cost							
As at April 1, 2023	0.94	0.15	0.47	0.17	9.66	5.36	16.76
Additions	0.08	0.08	0.81		2.78		3.67
Disposals/ reclassifications							
As at March 31, 2024	0.94	0.23	1.28	0.17	12.44	5.36	20.42
Depreciation							
As at April 1, 2023	0.37	0.13	0.38	0.13	5.95	3.86	10.83
Depreciation expense for the year	0.05	0.02	0.07	0.01	1.66	0.48	2.29
Eliminated on disposal of assets/ reclassifications							
As at March 31, 2024	0.43	0.15	0.45	0.15	7.61	4.34	13.12
As at March 31, 2023	0.57	0.02	0.09	0.04	3.72	1.50	5.93
As at March 31, 2024	0.51	0.08	0.83	0.02	4.83	1.03	7.30

2.1 There are no impairment losses recognised during the year.

2.2 Assets pledged as security

2.3 The Company does not hold any immovable property whose title deeds are not held in the name of the Company.

2.4 The Company has not revalued its property, plant and equipment as on each reporting period and therefore Schedule III disclosure requirements with respect to fair value details is

2.5 There are no capital work-in-progress during each reporting period and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.



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SONALIS CONSUMER PRODUCTS LIMITED

Notes forming part of the financial statements

All amounts are ₹ in Lakhs unless otherwise stated

3 Intangible assets

	As at March 31, 2024	As at March 31, 2023
Deemed Cost		
As at April 1, 2023	-	-
Additions	-	-
Disposals/ reclassifications	-	-
As at March 31, 2024	-	-
Accumulated amortisation and impairment		
As at April 1, 2023	-	-
Amortisation expenses	-	-
Eliminated on disposal of assets/ reclassifications	-	-
As at March 31, 2024	-	-
As at March 31, 2023	-	-
As at March 31, 2024	-	-

3.1 There are no intangible under development during each reporting period and therefore Schedule III disclosure requirements with respect

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SONALIS CONSUMER PRODUCTS LIMITED
Notes forming part of the financial statements
All amounts are ₹ in Lakhs unless otherwise stated

4 Investment in subsidiaries, associates, joint ventures & Partnership firm

	As at March 31, 2024		As at March 31, 2023	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
Unquoted Investments (all fully paid)				
Investment in subsidiaries				
Investments in equity instruments				
Total investments in subsidiaries		-		-
Total investments		-		-
Aggregate book value of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate carrying value of unquoted investments		-		-
Aggregate amount of impairment in value of investments in		-		-

5 Other investments

	As at March 31, 2024		As at March 31, 2023	
	Qty.	Amount	Qty.	Amount
Unquoted Investments (all fully paid)				
Quoted Investments (all fully paid)				
Total investments		-		-
Aggregate book value of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate carrying value of unquoted investments		-		-
Aggregate amount of impairment in value of investments in		-		-

* Rounded off to Nil

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SONALIS CONSUMER PRODUCTS LIMITED
Notes forming part of the financial statements
All amounts are ₹ in Lakhs unless otherwise stated

6 Non-current loans

	As at March 31, 2024	As at March 31, 2023
Loan to related party		
Total	-	-

Details of Loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

(a) As at March 31, 2024

	As at March 31, 2024	As at March 31, 2023
	Amount of loan or advance in the nature of loan outstanding	Amount of loan or advance in the nature of loan outstanding
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties		

(b) As at March 31, 2023

	As at March 31, 2024	As at March 31, 2023
	Amount of loan or	Amount of loan or
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties		

7 Other financial asset

	As at March 31, 2024	As at March 31, 2023
Non-current		
Deposit with Bharat petroleum Ltd	-	0.22
Flat deposit	-	1.50
Gala deposit	-	0.63
Staff Room Deposit	-	0.12
	-	2.47
Current		
Advances		
- to staff	0.12	0.12
- to related parties		
- to Others	1.72	0.24
	1.84	0.36

8 Non-current tax asset (net)

	As at March 31, 2024	As at March 31, 2023
Tax Payments (net of provisions)		
Total	-	-



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9 Other assets

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Security deposits	-	-
Other assets*	-	-
Total	-	-
Current		
Advances to suppliers	402.64	96.39
Balances with government authorities (other than income taxes)		
- GST	2.98	0.07
Prepaid expenses	-	-
Total	405.61	96.45

10 Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
Inventories (at lower of cost and net realisable value)		
Work-in-Progress, Raw Material and Finished Goods	408.36	300.21
Total	408.36	300.21



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SONALIS CONSUMER PRODUCTS LIMITED
Notes forming part of the financial statements
All amounts are ₹ In Lakhs unless otherwise stated

11 Trade Receivables

	As at March 31, 2024	As at March 31, 2023
Current		
Unsecured, considered good	94.36	86.29
Less: Expected credit loss allowance	-	-
	<u>94.36</u>	<u>86.29</u>

11.1 The average credit period Generally ranged from 30 -60 days.

11.2 The ageing schedule of Trade receivables is as follows:

As at March 31, 2024

	Not due	Less than 6 Months	6 Months - 1 Year	1-3 years	> 3 years	Total
Undisputed						
Considered good	-	70.52	23.85	-	-	94.36
Credit impaired	-	-	-	-	-	-
Disputed	-	-	-	-	-	-
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-

As at March 31, 2023

	Not due	Less than 6 Months	6 Months - 1 Year	1-3 years	> 3 years	Total
Undisputed						
Considered good	-	0.51	85.78	-	-	86.29
Credit impaired	-	-	-	-	-	-
Disputed	-	-	-	-	-	-
Considered good	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-

The ageing has been given based on gross trade receivables without considering expected credit loss allowance.

12 Cash and bank balance

	As at March 31, 2024	As at March 31, 2023
A. Cash and cash equivalents		
Balances with banks		
- In current account - IDFC First Bank Ltd	0.04	0.08
- In current account - ICICI Bank Ltd	0.15	-
Cash on hand	111.51	133.24
Total	<u>111.70</u>	<u>133.32</u>
B. Bank balance other than cash and cash equivalent		
In term deposit accounts		
- With remaining maturity of less than 12 months but more than 3 months	-	-
Total	<u>-</u>	<u>-</u>



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SONALIS CONSUMER PRODUCTS LIMITED
Notes forming part of the financial statements
All amounts are ₹ in Lakhs unless otherwise stated

13 Equity share capital

	As at March 31, 2024	As at March 31, 2023
Authorised share capital		
2000000 Equity shares of ₹ 10/- each	200.00	200.00
Issued and subscribed capital comprises:		
944000 Equity Shares of Rs.10/- Each Issued during the year	94.40	-
1055000 Equity Shares In previous year	105.50	105.50
Total	199.90	105.50

13.1 Company has made Initial public offer of 9440000 equity shares @ Rs.10/- per share as face value & Rs.20/- per share as security premium & listed on BSE with SME segment The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

13.2 Details of shares held by each shareholder holding more than 5% shares

	As at March 31, 2024	As at March 31, 2024
	Number of shares held	%
Fully paid equity shares		
Sonali Nilesh Kocharekar	3,84,274	19.22
Smita Shashikant Shah	3,84,273	19.22
	7,68,547	38.45
	As at March 31, 2023	As at March 31, 2023
	Number of shares held	%
Fully paid equity shares		
Sonali Nilesh Kocharekar	3,84,274	36.42
Smita Shashikant Shah	3,84,273	36.42
Imteyaz Mohammad Shafi Shaikh	80,000	7.58
	8,48,547	80.43



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13.3 A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.

	Units	Units
As at April 1, 2022	10,55,000	-
Issued during the year	-	10,55,000
As at March 31, 2023	10,55,000	10,55,000
Issued during the year	9,44,000	-
As at March 31, 2024	19,99,000	10,55,000

13.4 Shareholding of promoters

As at March 31, 2024

Name of promoter	No. of shares	Holding Percentage of Total Share Capital Issued of Total Share
Sonali Nilesh Kocharekar	3,84,274	19.22
Smita Shashikant Shah	3,84,273	19.22
	7,68,547	38.45

As at March 31, 2023

Name of promoter	No. of shares	Holding Percentage of Total Share Capital Issued of Total Share
Sonali Nilesh Kocharekar	3,84,274	36.42
Smita Shashikant Shah	3,84,273	36.42
	7,68,547	72.85

14 Other equity

	As at March 31, 2024	As at March 31, 2023
Reserves and surplus		
Securities premium reserve	364.06	175.26
Retained earnings	2.13	0.30
Total	366.20	175.56

14.1 Securities premium reserve

	For the year ended	For the year ended
Balance at the beginning of year	175.26	-
Addition on account of issue of shares	-	175.26
Deletion on account of redemption of shares	-175.26	-
Balance at end of year	-	175.26

14.2 Retained earnings

	For the year ended	For the year ended
Balance at the beginning of year	0.30	-
Remeasurement of defined benefits plan	-	-
(Loss)/Profit attributable to owners of the Company	2.56	0.30
Balance at end of year	2.86	0.30

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SONALIS CONSUMER PRODUCTS LIMITED
Notes forming part of the financial statements
All amounts are ₹ in Lakhs unless otherwise stated

15 Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Secured borrowings at amortised cost:		
- Vehicle loans- from NBFC (refer note below)	3.06	4.21
Unsecured borrowings		
- Loans and advances from Others parties	156.30	184.69
- Loans and advances from related parties	36.47	39.76
	195.82	228.66
Current		
Secured Borrowings		
- Current maturities of long-term debt	1.15	1.18
Unsecured borrowings		
- Term loans- from banks and NBFC	-	-
	1.15	1.18

Company has availed vehicle loan to purchase a delivery van in FY 2022-23 @ Interest 12.12%p.a. for a tenure of 60 month

15.1 There are no breach of contractual terms of the borrowing during the year ended March 31, 2024 and March 31, 2023.

16 Provisions

	As at March 31, 2024	As at March 31, 2023
Non-current		
	-	-
Current		
Provision for Expenses	4.50	20.11
Provision for tax (net)	1.41	0.87
	5.91	20.98

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17 Deferred tax liabilities (net)

17.1 Movement in deferred tax balances

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	1.72	-
Total reversible timing difference in books maintained as per Companies Act 2013		
Depreciation as per Companies Act 2013	2.29	10.83
Total reversible timing difference in books maintained as per Income Tax Act 1961		
Depreciation as per Income Tax Act 1961	2.75	4.13
Net reversible timing difference (1) - (2)	-0.46	6.70
Deferred tax asset recognised for the year		
Add : Deferred tax income/(expense)	-0.12	1.72
	1.60	1.72

18 Trade payables

	As at March 31, 2024	As at March 31, 2023
Trade payables		
Due to micro and small enterprises		
Due to other than micro and small enterprises	245.72	80.05
Total	245.72	80.05

The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure required under the Act.

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18.1 The ageing schedule of Trade Payables is as follows:

As at March 31, 2024

	Not due	Not due
Undisputed		
MSME		
Others		
Disputed		
MSME		
Others		

As at March 31, 2023

	Not due	Not due
Undisputed		
MSME	-	-
Others	-	-
Disputed		
MSME	-	-
Others	-	-

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19 Other financial liabilities

	As at March 31, 2024	As at March 31, 2023
Current		
Other expenses payable	-	-
Total	-	-

20 Other current liabilities

	As at March 31, 2024	As at March 31, 2023
Statutory Liabilities		
- GST payable	-	-
- Profession tax Payable	0.17	0.04
- TDS Payable	2.91	1.51
Outstanding Expenses		
- Expense reimbursement to Director	6.75	6.67
- Advance from Distributors	3.01	3.01
- Payable for Expenses	0.05	0.12
Total	12.89	11.35

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SONALIS CONSUMER PRODUCTS LIMITED
Notes forming part of the financial statements
All amounts are ₹ in Lakhs unless otherwise stated

21. Revenue from operations

	For the year ended March 31, 2024	For the year ended March 31, 2023
Sales of Product	408.12	653.21
Other Operating Revenue		-
	408.12	653.21

21.1. There are no impairment losses on trade receivable recognised in Statement of profit and loss for the year ended March 31, 2023 and March 31, 2023

22 Other Income

	For the year ended March 31, 2024	For the year ended March 31, 2023
Packing Charges	-	0.11
Sundry Balance Writtenoff	2.43	0.01
Discount Received	0.32	-
(a + b + c)	2.75	0.11

23 Changes in inventories

	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Opening stock:		
Work-in-Progress, Raw Material and Finished Goods	300.21	-
B. Closing stock:		
Work-in-Progress, Raw Material and Finished Goods	408.36	300.21
A - B	-108.15	-300.21

24 Employee benefits expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and Wages	18.56	36.85
Remuneration to directors		-
Gratuity		-
Contribution to provident and other funds		-
Staff Welfare Expenses	1.30	1.40
	19.85	38.25

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25 Finance Costs

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on loans from banks and financial institutions	0.42	0.47
Interest on Unsecured loans	-	-
Bank Charges	0.05	0.14
Other finance costs		0.34
Total	0.47	0.95

26 Depreciation and amortisation expense

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment	2.29	10.83
Amortisation of intangible assets		
Total depreciation and amortisation expenses	2.29	10.83

27 Other expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and Fuel	1.33	4.01
Advertisement	0.05	1.90
Marketing Expense	4.75	1.13
IPO Expense	9.11	-
Rent	7.02	9.75
Rates and Taxes	0.05	0.05
ROC Charges	0.25	5.81
Postage & Courier	0.00	0.00
Establishment Expense	0.03	3.82
Repairs & Maintenance Expenses	0.44	0.83
Conveyance Expense	0.12	0.57
Travelling Expense	0.36	2.49
Freight and Transport Charges	0.43	2.14
Brokerage, Commission & Discounts	0.31	8.69
Vehicles Expenses	1.54	2.34
Office Expenses	0.05	0.75
Computer Hardware & Software Expenses	0.22	0.20
Sales Promotions	0.92	2.08
Miscellaneous Expenses	0.12	0.90
Professional Fees	1.16	20.35
Legal Expense	-	7.64
Production Expenses	3.95	5.45
Printing & Stationery Expenses	0.64	0.85
Packing Materials	1.58	3.59
Discount Expense	-	0.69
Telephone Charges	-	0.03
Insurance Expense	0.52	-
Loading & Unloading Charges	0.03	0.69
Total	35.00	86.76

27.1 Payments to statutory auditors

	For the year ended March 31, 2024	For the year ended March 31, 2023
a) For audit	5.00	2.00
b) Certification work	-	-
Total	5.00	2.00



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INDEPENDENT AUDITOR'S REPORT

To the Members of SONALIS CONSUMER PRODUCTS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the standalone financial statements Sonalis Consumer Products Limited ("the Company"), which comprise the Balance sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

UDIN: 23403437BGWDYF9777



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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the director's on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

UDIN: 23403437BGWDYF9777

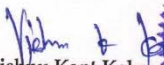


- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transfer ring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For SSRV and Associates

(Chartered Accountants)

Firm Reg. No.: 135901W


Vishnu Kant Kabra
(Partner)

M. No.: 403437

Place: Mumbai

Date: 21st August, 2023



UDIN: 23403437BGWDYF9777

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SONALIS CONSUMER PRODUCTS LIMITED. of even date)

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

We have audited the internal financial controls over financial reporting of SONALIS CONSUMER PRODUCTS LIMITED. (the "Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the account in records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial control over financial reporting included obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

UDIN: 23403437BGWDYF9777



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

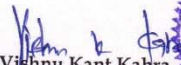
Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For SSRV and Associates

(Chartered Accountants)

Firm Reg. No.: 135901W


Vishnu Kant Kabra
(Partner)

M. No.: 403437

Place: Mumbai

Date: 21st August, 2023



UDIN: 23403437BGWDYF9777

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SONALIS CONSUMER PRODUCTS LIMITED. of even date)

- i. In respect of the Company's tangible & intangible assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of tangible & intangible assets.
 - (b) The Company has a program of verification to cover all the items of tangible & intangible assets in a phased manner which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain tangible & intangible assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us Company do not have any immovable properties.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment or intangible assets or both during the year.
 - (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and Rules made thereunder.
- ii. (A) The Company is a Manufacture, Retailer & Wholesaler of Snacks. Accordingly, the Management has conducted Physical Verification of Inventory at Reasonable interval during the year and no Material discrepancies between physical inventory and book records were notice on physical verification and the valuation of closing stock has been certified by the management and we have relied on the same. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(B) According to the information and explanations given to us and on the basis of our examination of the records of the Company, does not have working capital limits in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- iii. The Company has during the year, not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clauses 3(iii) of the Order are not applicable.
- iv. According to the information and explanation given to us, the company has no loans, investments, guarantees or security where provisions of section 185 and 186 of the Companies Act, 2013 are to be complied with.

UDIN: 23403437BGWDYF9777



- v. The company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2023 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax and other material statutory dues applicable to it with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, Goods and services tax, and any other statutory dues that have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix.
- a) According to the information and explanations given to us and based on examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowing or in the payment of interest thereon to any financial institution or bank. The Company did not have any loans or borrowings from government during the year.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

UDIN: 23403437BGWDYF9777



- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
- xiv. a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) According to the information and explanations given to us, no internal audit done.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

UDIN: 23403437BGWDYF9777



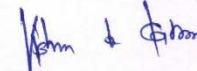
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

- xvii. According to the information and explanation given to us, the company has not incurred any cash losses in financial year and immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. In our opinion and according to information and explanation given to us, the company can meet the liability which are exist as at the balance sheet date when such liabilities are due in the future.
- xx. According to the Information and explanation given to us, the company has not under obligation of corporate social responsibility, so there is no amount which remain unspent and need to transfer under special accounts in accordance with section 135 of the companies Act, 2013. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

Our opinion is not modified in respect of this matter.

For SSRV and Associates
(Chartered Accountants)
Firm Reg. No.: 135901W

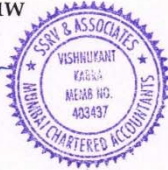


Vishnu Kant Kabra
(Partner)

M. No.: 403437

Place: Mumbai

Date: 21st August, 2023



UDIN: 23403437BGWDYF9777

SONALIS CONSUMER PRODUCTS LIMITED
CIN : U15490MH2022PLC378461
Balance Sheet as at 31st March, 2023

(Amt in "Lakhs")

Particulars	Note No	As at 31st March 2023 ₹
I. EQUITY AND LIABILITIES		
(1) Shareholder's funds		
(a) Share capital	2	105.50
(b) Reserves & Surplus	3	175.56
(2) Non-current liabilities		
(a) Long-term borrowings	4	228.99
(a) Deferred tax liability (net)	5	1.72
(3) Current liabilities		
(a) Trade payables	6	
(A) total outstanding dues of micro enterprises and Small Enterprises; and		-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		80.05
(b) Other current liabilities	7	12.21
(c) Short-term provisions	8	20.98
(d) Short-term borrowings	9	-
Total		625.02
II.Assets		
(1) Non-current assets		
(a) Property, plant and equipment and Intangible assets		
(i) Property, plant and equipment		
(iii) Capital work-in-progress	10	5.93
(b) Non-current investments	11	-
(c) Long term loans and advances	12	2.47
(d) Other Non Current Assets	13	-
(2) Current assets		
(a) Inventories	14	300.21
(b) Trade receivables	15	86.29
(c) Cash and cash equivalents	16	133.32
(d) Short-term loans and advances	17	96.81
(e) Other current assets	18	-
Total		625.02

Significant accounting policies

Notes referred to above form an integral part of the Financial Statements.

1

As per our report of even date
For SSRV and Associates
Chartered Accountants
ICAI F.R.No.: 135901W

Vishnu Kant Kabra
Partner



For & On Behalf of the Board
SONALIS CONSUMER PRODUCTS LTD

SONALI NILESH
KOCHAREKAR
Director



SMITA BHASKANT
SHAH
Director



SONALIS CONSUMER PRODUCTS LIMITED

CIN : U15490MH2022PLC378461

Statement of Profit and Loss for the period from 15th March, 2022 to 31st March, 2023

(Amt in "Lakh")

Particulars	Note No.	For the year ended 31st March 2023
Income :		
Revenue from operations	19	₹ 653.21
Other income	20	0.11
Total Income		653.32
Expenses:		
Cost of materials consumed	21	811.86
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(300.21)
Employee benefit expense	23	38.25
Financial costs	24	0.71
Depreciation and amortisation cost	25	10.83
Other expenses	26	89.01
Total expenses		650.44
Profit before tax		2.89
Tax expense:		
(1) Current tax		0.87
(2) Deferred tax	5	1.72
Profit from the period		0.30
Profit/(Loss) for the period		0.30
Earning per equity share:		
Face value per equity shares Rs.10/- fully paid up.	27	
(1) Basic		0.03
(2) Diluted		0.03

Notes referred to above form an integral part of the Financial Statements.

As per our report of even date

For SSRV and Associates

Chartered Accountants

ICAI F.R.No.: 135901W



Vishnu Kant Kabra

Partner

M.No.: 403437

Date: 21st August, 2023

Place: Mumbai

UDIN: 23403437BGWDYF9777

For & On Behalf of the Board

SONALIS CONSUMER PRODUCTS LTD



**SONALI NILESH
KOCHAREKAR**

Director

Din :09536461



**SMITA
SHASHIKANT SHAH**

Director

Din : 09536462

SONALIS CONSUMER PRODUCTS LIMITED
CIN : U15490MH2022PLC378461
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

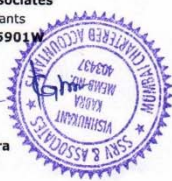
(Amt in "Lakhs")

Particulars	For the Year ended March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net profit before tax and extraordinary items	2.89
Adjustments for:	
Depreciation and amortisation expense	10.83
Interest expenses	0.71
Operating profit / (loss) before working capital changes	14.42
Changes in working capital:	
Increase / (Decrease) in trade payable	80.05
Increase / (Decrease) in short term borrowing	-
Increase / (Decrease) in provisions	20.98
Increase / (Decrease) in deferred tax liabilities	1.72
Increase / (Decrease) in other current liabilities	12.21
(Increase) / Decrease in short term loan and advances	(96.81)
(Increase) / Decrease in trade receivables	(86.29)
(Increase) / Decrease in inventories	(300.21)
(Increase) / Decrease in other current assets	-
(Increase) / Decrease in other non current assets	-
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	(368.34)
Less: Taxes paid	(2.59)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	(356.51)
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of tangible / intangible assets	(16.76)
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES	(16.76)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Interest expenses	(0.71)
Proceeds from issue of equity shares	105.50
Securities Premium from issue of equity shares	175.26
(Increase) / Decrease in long term loan and advances	(2.47)
Increase / (Decrease) in long term borrowing	228.99
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES	506.58
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	133.32
Cash and Cash equivalents at beginning period (Refer Note 16)	-
Cash and Cash equivalents at end of period (Refer Note 16)	133.32
D. Cash and Cash equivalents comprise of	
Cash on hand	133.24
Balances with banks	
In current accounts	0.08
Total	133.32

This Cash Flow Statement has been prepared as per "Indirect Method" as prescribed by Accounting Standard -3 (revised) "Cash Flow Statements"

As per our report of even date
For SSRV and Associates
Chartered Accountants
ICAI F.R.No.: 135901W


Vishnu Kant Kabra
Partner
M.No.: 403437
Date: 21st August, 2023
Place: Mumbai
UDIN: 23403437BGWDYF9777



For & On Behalf of the Board
SONALIS CONSUMER PRODUCTS LTD


SONALI NILESH KOCHAREKAR
Director
Din : 09530461




SMITA SHASHIKANT
SHAH
Director
Din : 09530462



SONALIS CONSUMER PRODUCTS LIMITED

Notes to Financial Statements for the year ended 31st March, 2023

Note 1: Significant Accounting Policies

Basis of preparation:

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rule, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Although in current year company does not have revenue.

Taxation:

Since a company is incurring a profit Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Also Deferred Tax for timing difference between profits and book profits is accounted for, using tax rates and laws that have been enacted or substantially is not enacted as of the Balance Sheet Date. Deferred Tax Assets/Liabilities are recognized to the extent there is reasonable certainty that these assets/liabilities can be realised/accrued in future.

Fixed Asset:

Management has done revaluation of Fixed assets to match current market value wherever required.

Inventories:

Inventories are valued at cost or net realizable value, whichever is lower. Moreover, inventories are certified by the management/ technical person and same is incorporated in financial statement of accounts.



Although Company does hold physical inventories; its written off & provision of loss is made hence the same is not appearing in balance-sheet. Thus, paragraph 3(ii) of the Order is not applicable. Reason being the stock is outdated due to changes in technology.

Provisions:

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually retaining. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Contingent Liabilities:

A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the concurrency or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability.

Cash and Cash Equivalents:

Cash and Cash Equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

As per our report of even date
For SSRV and Associates
Chartered Accountants
ICAI F.R.No. 135901W




Vishnu Kant Kabra
Partner
M.No.: 403437
Date:- 21st August, 2023
Place:- Mumbai
UDIN:- 23403437BGWDYF9777

For & On Behalf of the Board
SONALIS CONSUMER PRODUCTS LIMITED


SONALI NILESH KOCHAREKAR
Director
Din : 09536461


SMITA SHASHMIKANT SHAH
Director
Din : 09536462

SONALIS CONSUMER PRODUCTS LIMITED

CIN : U15490MH2022PLC378461

Notes Forming Part of Balance Sheet

Note 2 :- Share capital

Particulars	(Amt in "Lakhs") As at 31st March 2023
Authorised share capital 20,00,000 Equity Shares of Rs. 10/- each	200.00
Issued, subscribed & paid-up share capital 10,55,000 Equity Shares of Rs. 10/- each Fully Paid-up	- 105.50
Total share capital	105.50

(Amt in "Lakhs")

Note 2.1 : Reconciliation of number of shares outstanding is set out below:

Particulars	As at 31st March 2023
Equity shares at the beginning of the year	-
Add: Shares issued during the current financial year	10,55,000.00
Equity shares at the end of the year	10,55,000.00

Note 2.2 Share Holding with more than 5% of share capital

Particulars	Hodling %	No of Shares
Sonali Nilesh Kocharekar	36.42	3,84,274
Smita Shashikant Shah	36.42	3,84,273
Imteyaz Mohammad Shafi Shaikh	7.58	80,000
		8,48,547

Note 2.3 : The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share.

Note 2.4 : There is no fresh issue or buyback of shares during the year.

Note 2.5 : There is no change in the number of shares outstanding at the beginning and at the end of the year.

Note 2.6 : There is change in the pattern of shareholding during the year.

Shares held by promoters at the end of the year 31st March 2023				% Change during the year
Sr. No.	Promoter Name	No. of Shares	% of total shares	
1	SONALI NILESH KOCHAREKAR	3,84,274.00	36.42	36.42
2	SMITA SHASHIKANT SHAH	3,84,273.00	36.42	36.42
3	SHIVANG SHASHIKANT SHAH	120.00	0.01	0.01
4	SHASHIKANT CHIMANLAL SHAH	2,750.00	0.26	0.26
5	SAVITA LALBAHADUR SINGH	33,000.00	3.13	3.13
6	SABIR ABDUL AZIZ PATEL	50,000.00	4.74	4.74
7	PRAKASH PREMKUMAR JHANGIANI	120.00	0.01	0.01
8	MANUJ KHATWANI	40,000.00	3.79	3.79
9	IMTEYAZ MOHAMMAD SHAFI SHAIKH	80,000.00	7.58	7.58
10	GAJANAN VITHAL CHAVAN	5.00	0.00	0.00
11	DARSHAN UMESH THAKKAR	50,000.00	4.74	4.74
12	AMRIT LAXMICHAND GANDHI	30,453.00	2.89	2.89
13	AKSHAY VITTHAL BHADRIKE	5.00	0.00	0.00
	Total	10,55,000.00	100.00	



SONALIS CONSUMER PRODUCTS LIMITED

CIN : U15490MH2022PLC378461

Notes Forming Part of Balance Sheet

Note 5: Deferred Tax Liability

Particulars	(Amt in "Lakhs") As at 31st March 2023
Opening balance	-
Total reversible timing difference in books maintained as per Companies Act 2013 Depreciation as per Companies Act 2013	10.83
Total reversible timing difference in books maintained as per Income Tax Act 1961 Depreciation as per Income Tax Act 1961	4.13
Net reversible timing difference (1) - (2)	6.70
Deferred tax asset recognised for the year	
Add : Deferred tax income/(expense)	1.72
Total	1.72

Note 6 : Trade payables

Particulars	(Amt in "Lakhs") As at 31st March 2023
Total outstanding dues of micro enterprises and small enterprises	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	80.05
Total	80.05

Note 6.1 : Steps have been taken to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Since no intimation has been received from the suppliers regarding their status under the said Act as at 31st March 2023, disclosures relating to amounts unpaid as at the year end, if any, have not been furnished. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

Trade Payables ageing schedule: As at 31st March, 2023

Particulars	(Amt in "Lakhs")		
	Less than 6 months	6 months -1 year	Total
(i) MSME	-	-	-
(ii) Others	-	-	-
(iii) Disputed dues- MSME	24.22	56	80.05
(iv) Disputed dues - Others	-	-	-



SONALIS CONSUMER PRODUCTS LIMITED

CIN : U15490MH2022PLC378461

Notes Forming Part of Balance Sheet

Note 8 : Short Term Provisions

(Amt in "Lakhs")

Particulars	As at 31st March 2023
Provision for Income Tax Current Year (A.Y.2023-24)	0.87
Provision for Expenses	20.11
Total	20.98

Note 9 : Short-Term Borrowings

(Amt in "Lakhs")

Particulars	As at 31st March 2023
(Unsecured, repayable on Demand) From Others	
Current Maturities of Long Term Borrowings	
i) Secured Loans from Banks/ NBFC (Refer Note No 4.1)	-
ii) Unsecured Loans from Banks/ NBFC (Refer Note No 4.1)	-
Total	-



SONALIS CONSUMER PRODUCTS LIMITED
Note 10 :- Property, plant & equipments as on 31st March, 2023
 (As per the Companies Act, 2013)

Is of Assets	Residual Value	Rate %	Gross Block		Total	Accumulated Depreciation		(Rs. in Amount)	
			As On 01st April, 2022	Additions		Deductions	As On 01st April, 2022	For The Year	Total Dep as on 31st March, 2023
ASSETS									
Equipment	0.05	9.50%	-	0.94	0.94	-	0.37	0.37	0.57
Printer	0.01	31.67%	-	0.15	0.15	-	0.13	0.13	0.02
	0.02	9.50%	-	0.47	0.47	-	0.38	0.38	0.09
Fixtures									
Fixtures	0.01	9.50%	-	0.17	0.17	-	0.13	0.13	0.04
Binery	0.48	3.80%	-	9.66	9.66	-	5.95	5.95	3.72
Id Cng (Tempo)	0.27	31.23%	-	5.36	5.36	-	3.86	3.86	1.50
			-	16.76	16.76	-	10.83	10.83	5.93
LE ASSETS									
Equipment			-	-	-	-	-	-	-
			-	-	-	-	-	-	-
			-	16.76	16.76	-	10.83	10.83	5.93



SONALIS CONSUMER PRODUCTS LIMITED

CIN : U15490MH2022PLC378461

Notes Forming Part of Balance Sheet

Note 11 : Non current investment		(Amt in "Lakhs")
Sr. No.	Particulars	As at 31st March 2023
	Quoted investments Equity based mutual fund	
	Debt based mutual fund	
	Total	-

All above investments are carried at cost

11.1 Other disclosures

(a)	Aggregate cost of quoted investment	-
	Aggregate market value of quoted investments	-
(b)	Aggregate amount of unquoted investments	-
(c)	Aggregate provision for diminution in value of investment	-

Note 12 : Long term loans and advances		(Amt in "Lakhs")
Sr. No.	Particulars	As at 31st March 2023
I)	Security deposit (a) Security Deposits:- Deposit for Nagpur property Deposit for Mumbai property Deposit for Delhi property	
II)	Other loans & advances 1 Deposit with Bharat petroleum Ltd 2 Flat deposit 3 Gala deposit 3 Staff Room Deposit	0.22 1.50 0.63 0.12
	Total	2.47

Note 13 : Other non current assets		(Amt in "Lakhs")
Sr. No.	Particulars	As at 31st March 2023
	Total	-



SONALIS CONSUMER PRODUCTS LIMITED

CIN : U15490MH2022PLC378461

Notes Forming Part of Balance Sheet

Note 14 : Inventories

Sr. No.	Particulars	(Amt in "Lakhs")
		As at 31st March 2023
1	Finished goods	8.33
2	Semi finished goods	-
3	Raw material	291.88
4	Stores & packing	-
*Valued at lower of cost and net realizable value		
Total		300.21

Note 15 : Trade receivables

Sr. No.	Particulars	(Amt in "Lakhs")
		As at 31st March 2023
1	Outstanding for more than six months	
	a) Secured, considered good	86.29
	b) Unsecured, considered good	-
	c) Doubtful	-
2	Others	
	a) Secured, considered good	-
	b) Unsecured, considered good	-
	c) Doubtful	-
Total		86.29

Trade Receivables ageing schedule as at 31st March, 2023

Particulars	(Amt in "Lakhs")		
	Outstanding for following periods from due date of payment		
	Less than 6 months	6 months -1 year	Total
(i) Undisputed Trade receivables -considered good	0.51	85.78	86.29
(ii) Undisputed Trade receivables -considered doubtful			-
(iii) Disputed trade receivables considered good			-
(iv) Disputed trade receivables considered doubtful			-



SONALIS CONSUMER PRODUCTS LIMITED

CIN : U15490MH2022PLC378461

Notes Forming Part of Balance Sheet

Note 16 : Cash and bank balances

(Amt in "Lakhs")

Sr. No.	Particulars	As at 31st March 2023
1	Cash and cash equivalent Cash in Hand	133.24
	Sub total (A)	133.24
2	Bank balances - current accounts IDFC FIRST BANK	0.08
	Sub total (B)	0.08
	Total [A + B]	133.32

Note 17 : Short terms loans and advances

(Amt in "Lakhs")

Sr. No.	Particulars	As at 31st March 2023
1	Others Advance to Suppliers Salary in Advance	96.39 0.12
2	Other advances Advance Against Expenses Advance to NSDL	- 0.30
	Total	96.81

Note 18 : Other Current Assets

(Amt in "Lakhs")

Sr. No.	Particulars	As at 31st March 2023
	Total	-



SONALIS CONSUMER PRODUCTS LIMITED

CIN : U15490MH2022PLC378461

Notes Forming Part of Statement of Profit & Loss for the period from 15th
March, 2022 to 31st March, 2023

Note 19 : Revenue from operations

Sr. No.	Particulars	As at 31st March 2023
1	Sales of products (refer sub note 19.1)	653.21
2	Sale of services	
3	Other operating revenues -	
	Sales are net of Goods & Service Tax (GST)	
	Total	653.21

19.1 Sale of Products

Sr. No.	Particulars	As at 31st March 2023
1	Sales - finished goods	653.21
2	Sales - semi finished goods	-
	Total	653.21

Note 20 : Other Income

Sr. No.	Particulars	As at 31st March 2023
1	Packing Charges	0.11
2	Sundry Balances Writtern off	0.01
	Total	0.11

Note 21 : Cost of Material Consumed

Sr. No.	Particulars	As at 31st March 2023
1	Cost of Materials Consumed: (refer sub note 21.1)	811.86
2	Other Operating Expenses	
	Total	811.86

21.1 Cost of Materials Consumed

Sr. No.	Particulars	As at 31st March 2023
1	<u>Consumption of finished goods</u>	
	Opening stock	-
	Add :- purchase during the year	771.99
	Add :- Stock Transfer from Appetite Food	39.87
		811.86
	Less :- Closing stock	-
		811.86
2	<u>Consumption of stores & spares / packing materials</u>	
	Opening stock	-
	Add :- purchase during the year	-
	Less :- Closing stock	-



SONALIS CONSUMER PRODUCTS LIMITED

CIN : U15490MH2022PLC378461

Notes Forming Part of Statement of Profit & Loss for the period from 15th March, 2022 to 31st March, 2023

Note 23 : Employment Benefit Expenses

Sr. No.	Particulars	As at 31st March 2023
1	Salary & Bonus	11.90
2	Daily Wages	24.95
3	Staff Welfare	1.40
4	Directors Remuneration	-
	Total	38.25

Note 24 : Financial cost

Sr. No.	Particulars	As at 31st March 2023
1	Bank Charges	0.14
2	Interest on Tempo Loan	0.47
3	Loan Finance Charges	0.09
	Total	0.71

Note 25 : Depreciation and amortised cost

Sr. No.	Particulars	As at 31st March 2023
1	Depreciation	10.83
	Total	10.83



SONALIS CONSUMER PRODUCTS LIMITED

CIN : U15490MH2022PLC378461

**Notes Forming Part of Statement of Profit & Loss for the period from 15th
March, 2022 to 31st March, 2023**

Note 26 : Other expenses

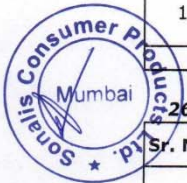
Sr. No.	Particulars	As at 31st March 2023
1	Advertising Expenses	1.90
2	Commission & Brokerage Expenses	8.69
3	Audit Fees	2.00
4	Registration Fees	0.05
5	Computer Hardware & Software Expenses	0.20
6	Conveyance	0.57
7	Customer Welfare Expenses	0.90
8	Electricity Charges	4.01
9	Factory Establishment Expenses	3.41
10	Delivery Charges	1.00
11	BSE, NSE & CDSL Expenses	7.64
12	Interest Charges	0.24
13	Legal & Professional Fees	20.35
14	Exhibition Charges	1.18
15	Motor Car & Scooter Expenses	2.34
16	Marketing Expenses	1.13
17	Licenses Expenses	0.41
18	Miscellaneous Expenses	0.90
19	Office Expenses	0.75
20	Production Expenses	5.46
21	Postage & Courier Charges	0.00
22	Printing & Stationery Expenses	0.85
23	Rent, Rates & Taxes	9.75
24	Repairs & Maintenance Expenses	0.83
25	ROC Charges	5.81
26	Discount Given	0.69
27	Packing Materials	3.59
28	Round off	0.00
29	Labour Charges	0.69
30	Shipping Expenses	0.06
31	Telephone / Mobile Expenses	0.03
32	Travelling Expenses	2.49
33	Transportation & Toll Charges	1.08
Total		89.01

26.1 Repairs & maintenance

Sr. No.	Particulars	As at 31st March 2023
1	Repairs & Maintenance Expenses	0.83
Total		0.83

26.2 BSE, NSDL & CDSL Expenses

Sr. No.	Particulars	As at 31st March 2023
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SONALIS CONSUMER PRODUCTS LIMITED

CIN : U15490MH2022PLC378461

Notes Forming Part of Statement of Profit & Loss for the period from 15th March, 2022 to 31st March, 2023

26.3 Rent, rates & taxes

Sr. No.	Particulars	As at 31st March 2023
1	Rent Expenses - Office	5.55
2	Rent Expenses - Staff Room	0.12
3	Rent Expenses - Virar	0.75
4	Rent Expenses - Flat	3.33
	Total	9.75

26.4 Miscellaneous expenses

Sr. No.	Particulars	As at 31st March 2023
1	Pest Control Expenses	0.05
2	APMC Charges	0.00
3	Firm & Fees Expenses	0.00
4	Pooja Expenses	0.09
5	Sign Board Expenses	0.03
6	Sundry Expenses	0.05
7	Interest on Tds	0.00
8	Food Testing	0.02
9	Installation Charges	0.06
10	Form & Fees	0.00
11	Valuation Expenses	0.60
	Total	0.90

26.5 Auditor's remuneration

Sr. No.	Particulars	As at 31st March 2023
1	Audit Fees	2.00
	Total	2.00

26.6 Travelling Expenses

Sr. No.	Particulars	As at 31st March 2023
1	Travelling Expenses	2.49
	Total	2.49



SONALIS CONSUMER PRODUCTS LIMITED

CIN : U15490MH2022PLC378461

Notes Forming Part of Statement of Profit & Loss for the period from 15th
March, 2022 to 31st March, 2023

Note 27 : Earning per share

Sr. No.	Particulars	As at 31st March 2023
1	Net profit after tax	0.30
2	Weighted average number of equity shares	10.55
	Earning per share (face value of Rs.10/-fully paid)	0.03



ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Audited Financial Statements for the Financial Years ending March 31, 2023 and March 31, 2024 and unaudited Financial Statement for The Half Year Ended September 30, 2024. For further details, please refer to the chapter titled “Audited Financial Statements” beginning on page 67 of this Draft Letter of Offer.

EARNINGS PER SHARE

(₹ in Lacs, unless otherwise specified)

Particulars	For The Half Year Ended September 30, 2024	For The Financial Year Ended	
		March 31, 2024	March 31, 2023
Net profit / (loss) after tax, attributable to equity shareholders	29.88	41.36	151.67
Weighted average number of Equity Shares Outstanding (in No.)	19998476	19998476	9999238
Basic EPS in ₹	0.15	0.21	1.52
Diluted EPS in ₹	0.15	0.21	1.52
Face value in ₹	10	10	10

NET ASSET VALUE PER EQUITY SHARE

(₹ in Lacs, unless otherwise specified)

Particulars	For The Half Year Ended September 30, 2024	For The Financial Year Ended	
		March 31, 2024	March 31, 2023
Net worth (A)	2225.90	2183.38	2143.27
Number of Equity Shares outstanding (B)	19998476	19998476	9999238
NAV (A/B)	11.13	10.92	21.42
Face value in ₹	10	10	10

RETURN ON NET WORTH

(₹ in Lacs, unless otherwise specified)

Particulars	For The Half Year Ended September 30, 2024	For The Financial Year Ended	
		March 31, 2024	March 31, 2023
Net worth (A)	2225.90	2183.38	2143.27
Net Profit/(Loss) for the period from Continuing Operations and Discontinuing Operations Attributable to Equity Holders (B)	29.88	41.36	151.67
RONW (B/A*100)	1.34%	1.89%	7.08%

EBITDA

(₹ in Lacs, unless otherwise specified)

Particulars	For The Half Year Ended September 30, 2024	For The Financial Year Ended	
		March 31, 2024	March 31, 2023
Profit/(Loss) after tax (A)	29.88	41.36	151.67
Tax expenses / (Credit) (B)	12.00	87.54	(46.51)
Exceptional Item (C)	0	0.76	(6.52)
Finance costs (D)	11.08	0.76	0.13
Depreciation & amortization expense (E)	20.12	71.15	62.18
EBIDTA (A+B+C+D+E)	73.08	201.57	160.95

Basic earnings per share	Net Profit/ (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders before and after exceptional item, as applicable divided by Weighted Average number of Equity Shares outstanding at the end of the financial year.
Diluted earnings per share	Net Profit/ (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders before or after exceptional item, as applicable/ Weighted Average number of Equity Shares outstanding at the end of the financial year.
Return on net worth (in %)	Profit/ (Loss) for the Period/Year as per Statement of Profit and Loss attributable to Equity Shareholders of the company divided by Net worth as attributable to equity shareholders of the company at the end of the financial year.
Net asset value per Equity Share	Net Worth on basis divided by the number of Equity Shares outstanding for the period/year.
EBITDA	Profit for the year before finance costs, tax, depreciation, amortization and items as presented in the statement of profit and loss in the Consolidated Audited Financial Statements.

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MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the “Audited Financial Statements” beginning on page 78. Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read “Risk Factors” and “Forward Looking Statements” beginning on page 17 and 13 respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations. Our financial statements included in this Draft Letter of Offer are prepared in accordance with Indian Accounting Standards, which differs in certain material respects from the accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. The financial information for the Financial year ended March 31, 2024 and Financial year ended March 31, 2023 included herein is based on the Financial Statements, included in this Draft Letter of Offer. For further information, see “Audited Financial Statements” beginning on page 78 of this Draft Letter of Offer.

OVERVIEW OF OUR BUSINESS

‘SONALIS CONSUMER PRODUCTS LIMITED’ (CIN: U52109MH2022PLC378461) was incorporated as a public limited company, under the Companies Act, 2013, pursuant to a certificate of incorporation dated March 15, 2022 issued by the Registrar of Companies, Central Registration Centre, Ministry of Corporate Affairs.

Our business of manufacturing and trading of organic and inorganic foods products and other consumable provision of every description for human consumption.

Our Business Strategy

Our focus is to:

- Brand Development
- Partnerships and Collaborations
- Clean and Sustainable Practices

For further details please see chapter titled “Our Business” on page 62 of the Draft Letter of Offer.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties,

Including those discussed in the section titled “Risk Factors” on page 17 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:

- General economic and business conditions in the markets in which we operate and in the local, Regional, National and International economies; such as We rely heavily on raw materials, and fluctuations in commodity prices can significantly impact production costs. For instance, changes in the prices of agricultural products, oil, or packaging materials can lead to increased expenses, affecting profit margins.
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Political instability or changes in the Government(s) could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- Our business and financial performance is particularly based on market demand and supply of Our products;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please refer chapter titled “Audited Financial Statements” on page 78.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEAR

Except as mentioned in chapter “Audited Financial Statements” on page 78, there has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

RESULTS OF OPERATIONS

The following table sets out selected data from the Audited Financial Statement for Financial Year ended March 31, 2024, Financial Year ended March 31, 2023 together with the percentage that each line item represents of our total revenue for the periods presented.

Particulars	Financial Year ended March 31, 2024		Financial Year ended March 31, 2023	
	₹ in Lakhs	% to total income	₹ in Lakhs	% to total income
Income				
Revenue from operations	408.12	99.33%	653.21	99.98%
Other Income	2.75	0.67%	0.11	0.02%
Total Income	410.87	100%	653.32	100%
Expenses				
Purchase of traded goods	453.85	-10.46 %	811.86	-24.26%
Changes in inventories of finished goods, Stock in-trade	-108.15	26.32%	-300.21	45.95%
Employee Benefit Expenses	19.85	4.83%	38.25	5.85%
Finance Cost	0.47	0.11%	0.95	0.14%
Depreciation and amortization expense	2.29	0.55%	10.83	1.65%
Other Expenses	40.00	9.73%	88.76	13.58%
Total Expenses	408.31	99.37%	650.43	99.55%
Profit before tax	2.56	0.62%	2.89	0.44%
Tax Expenses				
Current Tax	0.55	0.13%	0.87	0.13%
Deferred Tax	-0.12	0.02%	1.72	-4.56%
Profit (loss) for a Period	2.13	0.52%	0.30	0.04%

Total income

Our revenue comprises of:

Revenue from operations

Our revenue from operations arises out of sale of products.

Other Income

Our other income is from Packing Charge, Sundry Balance Written Off, Discount Received.

Expenses

Our expenses consist of (i) purchase of traded goods (ii) changes in inventories of finished goods and traded goods (iii) employee benefit expenses;(iv) depreciation and amortisation expense; and (vi) other expenses.

Employee benefit expenses

Employee benefit expense consists of salaries, incentives, directors' remuneration, gratuity and staff welfare expenses.

Depreciation and amortization expenses

Depreciation and amortization expenses consist of Tangible and Intangible assets of our Company i.e., Depreciation on Fixed Assets.

Other expenses

Other expenses include Advertisement publicity and sales promotion, Bad debts written off, Cleaning, forwarding, packing, freight, loading etc , Diesel For Boller Expense, Loss on Sale of Capital Asset, Deferred expenses on financial instruments, Electricity, Indirect taxes, Insurance, Legal charges, Miscellaneous expenses, Payment to Auditor, professional and consultancy charges, Repairs and maintenance, Testing and designing charges, Transportation expenses, Travelling expenses, Water expenses, Commission, Discount & Rebate, Membership & subscription, Office Expenses printing and stationary, Telephone and communication, labour charges, Rent paid, Security charges.

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 credit 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 by the relevant balance sheet date.

Comparison of Historical Results of Operations of period ended March 31, 2024 and period ended March 31, 2023

Total Income

Our total revenue, which comprised of revenue from operations and other income, for the period ended March 31, 2024, was ₹ 410.87 Lakhs as compared to ₹ 653.32 Lakhs for the period ended March 31, 2023 representing a decrease of over -37.11%.

Other income

Our other income increased by ₹ 2.64 Lakhs or 25% from ₹ 0.11 Lakhs for the period ended March 31, 2023 to ₹2.75 Lakhs for the period ended March 31, 2024.

Expenses

Total expenses decreased by ₹ 242.12 Lakhs or by 37.02% from ₹650.43 Lakhs for the period ended March 31, 2023 to ₹408.31 Lakhs for the period ended March 31, 2024.

Purchase of stock in trade

Our purchase of stock in trade decreased by ₹ 358.01 Lakhs or by 44.10% from ₹ 811.86 Lakhs for the period Ended March 31, 2023 to ₹453.85 Lakhs for the period ended March 31, 2024.

Change in Inventories

Our inventories were ₹ (300.21) Lakhs for the period Ended March 31, 2023 as compared to ₹ (108.15) for the period Ended March 31, 2024.

Employee benefit expenses

Employee benefits expense decreased by ₹18.4 Lakhs or by 48.10% from ₹ 38.25 Lakhs for the period ended March 31, 2023 to ₹ 19.85 Lakhs for the period Ended March 31, 2024.

Finance costs

Our finance costs expense decreased by ₹ 0.48 Lakhs or by 50.53 % from ₹ 0.95 Lakhs for the period ended March 31, 2023 to ₹ 0.47 Lakhs for the period ended March 31, 2024.

Depreciation and Amortization Expense

Our depreciation and amortization expense decreased by ₹8.54 Lakhs or by 78.86 % from ₹10.83 Lakhs for the period ended March 31, 2023 to ₹2.29 Lakhs for the period ended March 31, 2024.

Other expenses

Our other expenses decreased by ₹48.76 Lakhs or by 54.94 % from ₹88.76 Lakhs for the period ended March 31, 2023 to ₹40.00 Lakhs for the period ended March 31, 2024.

Profit/Loss before Tax

In light of above discussions, our profit before tax increased by ₹0.33 Lakhs or by 11.42 % from a profit of ₹2.89 Lakhs for the period ended March 31, 2023 to ₹2.56 Lakhs for the period ended March 31, 2024.

Taxation

Our current tax was ₹0.87 Lakhs and deferred Tax was ₹ (1.72) Lakhs for the period ended March 31, 2023 whereas current tax was ₹0.55 Lakhs and deferred Tax was ₹(0.12) Lakhs for the period ended March 31, 2024.

Profit/Loss after Tax

For the various reasons discussed above, and following adjustments for tax expense, we recorded a profit of ₹ 2.13 Lakhs for the period ended March 31, 2024 as compared to a profit of ₹ 0.30 Lakhs for the period ended March 31, 2023 which was increased in Profit after tax by 710.00%.

INFORMATION REQUIRED AS PER ITEM SCHEDULE VI TO THE SEBI REGULATIONS:

1. Unusual or infrequent events or transactions: Except as described in this there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.
2. Significant economic changes: Our Company’s operations are dependent on the general economic conditions and any changes in economic conditions may have an adverse impact on the entire industry and consequently on our operations.
3. Known trends or uncertainties: Except as described in “Risk Factors” and “Management Discussion and Analysis of Financial Condition and Results of Operations” in this our Company believes there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.
4. The extent to which material decrease in net sales or revenues are due to decreased sales volume.
5. Business segment in which our Company operates: Food Products
6. Seasonality of business Our business & level of operations are seasonal in nature. Our business depends upon the market condition.
7. Dependence on single or few clients: Our Company’s operations are dependent on a particular client or group of clients.
8. Competitive conditions: For details of competition please refer to chapter “Our Business” on page 62 of the Draft Letter of Offer.

RELATED PARTY TRANSACTIONS

For details of our related party transactions, see “Audited Financial Statements - Related Party Transactions” on page 78 in this Draft Letter of Offer.

MATERIAL DEVELOPMENTS

Our Company has change its object clause by addition of new business of warehousing and cold storage. For details kindly refer the Page No. 62

Except as disclosed in the there are no significant developments or circumstances that have arisen since March 31, 2024, the date of the last financial statements included in this Draft Letter of Offer.

MARKET PRICE INFORMATION

The Equity Shares are listed on the BSE. The Rights Equity Shares will be listed on the Stock Exchange pursuant to the Issue. For further details, please see "Terms of the Issue" beginning on page 157 of this Draft Letter of Offer. We have received in-principle approvals for listing of the Rights Equity Shares on the Stock Exchange to be issued pursuant to the Issue from the BSE by letters dated [.] Our Company will also make applications to BSE to obtain the trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

For the purpose of this section, unless otherwise specified:

I. Year is a Financial Year;

II. Average price is the average of the daily closing prices of our Equity Shares for the year, or the month, as the case may be;

III. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of our Equity Shares, for the year, the month, or the week, as the case may be; and

IV. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

The following table sets forth the high, low and average market prices of the Equity Shares recorded on the BSE during the preceding three years* and the number of the Equity Shares traded on the days of the high and low prices were recorded.

BSE							
FY	High (₹)	Date of high	Volume on date of high (No. of Equity Shares)	Low (₹)	Date of low	Volume on date of low (No. of Equity Shares)	Average (₹)
2023-2024	99.75	31/10/2024	62,000	29.62	12/03/2024	60,000	45.75

(Source: www.bseindia.com)

* The company has listed its securities on June 19, 2023 on BSE SME Platform.

The total number of days trading during the past six months was 117 days. The average volume of Equity Shares traded on the BSE was 15316 Equity Shares per day.

The high and low prices and volume of Equity Shares traded on the respective date on the BSE during the last One Year preceding the date of filing of this Letter of Offer are as follows:

BSE							
FY	High (₹)	Date of high	Volume on date of high (No. of Equity Shares)	Low (₹)	Date of low	Volume on date of low (No. of Equity Shares)	Average (₹)
November, 2024	93.40	11/11/2024	2,000	73.00	19/11/2024	18,000	81.90
October, 2024	99.75	31/10/2024	62,000	73.00	10/10/2024	8,000	84.43
September, 2024	89.12	16/09/2024	18,000	72.00	06/09/2024	22,000	79.48
August, 2024	97.67	13/08/2024	8,000	82.00	06/08/2024	8,000	87.15
July, 2024	97.09	31/07/2024	28,000	51.88	08/07/2024	134,000	66.16
June, 2024	71.00	26/06/2024	10,000	48.25	11/06/2024	34,000	57.87
May, 2024	74.08	15/05/2024	56,000	58.83	09/05/2024	48,000	66.64
April, 2024	63.31	30/04/2024	2,000	35.45	04/04/2024	24,000	45.15
March 2024	34.90	18/03/2024	20,000	29.62	12/03/2024	60,000	32.91
February 2024	38.15	26/02/2024	20,000	30.00	19/02/2024	14,000	33.81
January, 2024	40.00	15/01/2024	16,000	31.55	08/01/2024	10,000	35.00
December, 2023	40.60	29/12/2023	8,000	30.42	08/12/2023	30,000	34.79

(Source: www.bseindia.com)

The Board of our Company has approved the Issue at their meeting held on November 18, 2024. The high and low prices of our Company's shares as quoted on the BSE on November 19, 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)	High Price (₹)	Low price (₹)
BSE	18,000	79.88	73.00

(Source: www.bseindia.com)

The closing market price of the Equity Shares as on one day prior to the date of the Letter of Offer was ₹ 75.79 on the BSE. The Issue Price is ₹ [●] per Rights Equity Share.

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SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Except as stated in this section, there are no outstanding (I) criminal proceedings (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five (5) Financial Years, including outstanding action, (IV) claims related to direct and indirect taxes in a consolidated manner, (V) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board (“Materiality Policy”), in each case involving our Company, Promoters and Directors (the “Relevant Parties”).

For the purpose of point (V) above, our Board has considered and adopted a policy of materiality for identification of material litigation involving the Relevant Parties before coming up with the Initial Public Offer. The same, has been revised in its meeting held on August 20, 2022 and has considered and adopted a policy of materiality for identification of material litigation involving the Relevant Parties.

In terms of the Materiality Policy, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five (5) Fiscals Years including outstanding action, and tax matters, would be considered ‘material’ if:

(a) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 1% of the Net worth of the company shall be considered material; or

(b) the monetary liability is not quantifiable, however, the outcome of any such pending proceedings may have a bearing on the business, operations, performance, prospects or reputation of our Company. Except as stated in this section, there are no Outstanding Material Dues (as defined below) to creditors; or outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on August 20, 2022 determined that outstanding dues to creditors in excess of 05.00 % of the total consolidated trade payables as per the Last Audited financials shall be considered as material dues (“Material Dues”). Unless otherwise stated to the contrary, the information provided is as of the date of this Draft Letter of Offer.

All terms defined in a particular litigation disclosure pertain to that litigation only.

- **Litigation involving our Company**

- **A. Litigation filed against our Company**

- **Criminal proceedings**

Nil

- **Outstanding actions by regulatory and statutory authorities**

Nil

- **Civil proceedings**

Nil

- **B. Litigation filed by our Company**

- **Criminal proceedings**

Nil

- **Civil proceedings**

Nil

C. Tax proceedings

Nil

- **Litigation involving our Directors**

A. Litigation filed against our Directors

- **Criminal proceedings**

Nil

- **Civil proceedings**

Nil

- **Outstanding actions by regulatory and statutory authorities**

Nil

B. Litigation filed by our Directors

- **Criminal proceedings**

Nil

- **Civil proceedings**

Nil

C. Tax proceedings

Nil

- **Litigation involving our Promoter**

A. Litigation filed by our Promoter

- **Criminal proceedings**

Nil

- **Civil proceedings**

Nil

B. Litigation filed against our Promoter

- **Criminal proceedings**

Nil

- **Civil proceedings**

Nil

- **Outstanding actions by regulatory and statutory authorities**

Nil

C. Tax proceedings

Nil

- **Outstanding Dues to Small Scale Undertakings or any Other Creditors**

Nil

- **Material Developments**

Other than as stated in chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this there have not arisen, since the date of the Limited Reviewed Financial Statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next six months.

- **Disclosures Pertaining to Wilful Defaulters or a Fraudulent Borrower**

Neither our Company, nor our Promoters and Directors have been categorized or identified as wilful defaulters or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by the min the past or are currently pending against any of them.

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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 governmental and regulatory authorities in relation to the objects of this Issue. For further details, please refer to "Objects of the Issue" beginning on page 40 of this Draft Letter of Offer

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MATERIAL DEVELOPMENTS

Other than as stated in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 141, there have not arisen, since the date of the Limited Reviewed Financial Information disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months

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OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by a resolution of the Board passed at its meeting held on November 18, 2024 pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions

Our Board in its meeting held on [●], has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders, at an issue price of ₹ [●].00/- per Rights Equity Shares. The Issue Price of ₹[●].00/- per Rights Share has been arrived at, prior to determination of the Record Date.

Our Company has received in-principle approvals from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be allotted in this Issue pursuant to their letters each dated [●]. Our Company will also make application to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the Respective demat accounts of the Equity Shareholders of our Company. For details, see "*Terms of the Issue*" beginning on page 157 of this Draft Letter of Offer.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of our Promoter Group 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 Promoters 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. None our Directors or Promoter is associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

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 Promoters, and Directors have been categorized or identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Eligibility for the Issue

Our Company is a listed company, incorporated under Companies Act, 2013. The Equity Shares of our Company are presently listed on BSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clause 3(b) 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 Exchange for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the Issue.

DISCLAIMER CLAUSE OF SEBI

THE PRESENT ISSUE, BEING LESS THAN ₹ 2,500 LAKHS, OUR COMPANY IS IN COMPLIANCE WITH FIRST PROVISION TO REGULATION 3 OF THE SEBI ICDR REGULATIONS AND OUR COMPANY SHALL FILE A 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 FOR INFORMATIVE PURPOSES.

Disclaimer from our Company and our Directors

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

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

CAUTION

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

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this 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 rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Our Company and its directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

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 Mumbai only.

Disclaimer Clause of the BSE

As required, a copy of this Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to us, post scrutiny of this shall be included in the Letter of Offer prior to filing with SEBI and the Stock Exchange.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE Limited.

Listing

Our Company will apply to BSE 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, Abridged Letter of Offer, Application Form, 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 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 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 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 SEBI and the Stock Exchange.

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 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 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 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 LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE 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, 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 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 (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 authorised 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 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 SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS 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, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank to acting their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Our Company has received written consent dated December 03, 2024 from our Statutory Auditor, for inclusion of their report, dated December 03, 2024 on the Financial Information in this Letter of Offer and to include their name in this Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated December 03, 2024 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

Our Company has received written consent dated December 03, 2024 from our Statutory Auditor to include their name as required in this Draft Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to its examination report, dated December 03, 2024 on the Financial Information and the Statement of Tax Benefits dated December 03, 2024 and such consent has not been withdrawn as of the date of this Draft Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, provided by our Auditors, our Company has not obtained any expert opinions.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Except as mentioned in this our Company has not made public issues during the five years immediately preceding the date of this Draft Letter of Offer.

Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates

Our Company does not have any listed Subsidiary or Associates as on the date of this Draft Letter of Offer.

Stock Market Data of the Equity Shares

Our Equity Shares are listed on BSE. Our Equity Shares are traded on BSE. For details in connection with the stock market data of the Stock Exchange, please refer to the chapter titled "**Market Price Information**" beginning on page 145 of this Draft Letter of Offer.

Filing

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

Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the Stock Exchange and not with SEBI. However, the Draft Letter of Offer will be submitted with SEBI for information and dissemination and will 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. Purva Sharegistry (India) Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post- Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "Terms of the Issue" beginning on page 157 of this Draft Letter of Offer. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Company:

Purva Sharegistry (India) Private Limited
33, Printing House, 28-D, Police Court Lane,
Behind Old Handloom House, Fort,
MumbaiMaharashtra,400001
Telephone: 022-49614132/3522 0056
Email: newissue@purvashare.com
Website: www.purvashare.com
Investor grievance e-mail: newissue@purvashare.com
Contact Person: Ms. Deepali Dhuri
SEBI registration no.: INR000001112

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.

Sweta Agarawal, is the Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder:

Sweta Agarawal
SONALIS CONSUMER PRODUCTS LIMITED
HD-275, WeWork Oberoi Commerz II, 20th floor,
CTS No. 95, 4B 3 & 4 590, Off W. E. Highway,
Oberoi Garden City, GoregaonEast, Mumbai,
Goregaon East, Maharashtra, India, 400063
India Tel No: 9867611444
Website: www.sonalisconsumer.com
E-mail: cs@appetitefood.in

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Draft Letter of Offer, 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 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 the Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Circulars SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI – Rights Issue Circular”), all investors (including renounees) shall make an application for a rights issue only through ASBA facility.

OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Draft Letter of Offer, Draft Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association of our Company, the provisions of Companies Act, the terms and conditions as may be incorporated in the FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchange and terms and conditions as stipulated in the Allotment Advice.

Important:

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS:

In accordance with the SEBI (ICDR) Regulations, and the ASBA Circular, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material (‘Issue Materials’) only to the Eligible Equity Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them.

Further, the Draft Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses and have made a request in this regard.

Investors can also access the Draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at www.sonalisconsumer.com ;
- b) the Registrar to the Issue at www.purvashare.com;
- c) the Stock Exchange at www.bseindia.com.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue at www.purvashare.com by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.sonalisconsumer.com).

Further, our Company will undertake all adequate steps to reach out to 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 the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement

Please note that neither our Company nor the Registrar shall be responsible for not sending the physical copies of Issue materials, including the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement.

Letter and the Application Form or delay in the receipt of the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit. Resident Eligible Equity Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number.

The distribution of the Draft Letter of Offer, the 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 this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer is being filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Draft 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, the Draft 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 the Draft 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 the Draft 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 the Draft 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 the Draft 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 authorised 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 this Issue on a rights basis to the Eligible Equity Shareholders and will send the Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid e-mail address and an Indian address to our Company.

The Draft Letter of Offer will be 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.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense account, as applicable. For further details on the Rights Entitlements and demat suspense account, please see "Terms of the Issue—Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders" on page 157.

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 account in case of resident Eligible Equity Shareholders holding shares in physical form as at Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights 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:

- i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or
- ii) the requisite internet banking.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, please see “Terms of the Issue—Grounds for Technical Rejection” on page 157. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, - please see “Terms of the Issue—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” on page 157.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
- v) renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this 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 authorising 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 <https://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 this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company and its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

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 for Investors applying through ASBA:

- 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 dematerialised 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 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 for Investors applying through ASBA:

- a. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- b. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- c. Do not send your physical Application to the Registrar, 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.
- d. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- e. Do not submit Application Form using third party ASBA account.

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 this Issue on plain paper in case of non-receipt of Application Form as detailed above. 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 this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar or the Stock Exchange. 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.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application. If an Eligible Equity Shareholder makes an Application both in an Application Form as well as on plain paper, both applications are liable to be rejected.

Please note that in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilise 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 Sonalis Consumer Products 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 at 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 Rights Equity Shares applied for pursuant to this Issue;
5. Number of Equity Shares held as at 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);
16. An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrar to the Issue at newissue@purvashare.com; and
17. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set forth in “Restrictions on Purchases and Resales” on page 153 and shall include the following:

“I/ We hereby make representations, warranties and agreements set forth in “Restrictions on Purchases and Resales” on page 153.

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 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 www.purvashare.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 Rights Issue Circulars, 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 at Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two 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 account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as at Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) 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;
- b) 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;
- c) The remaining procedure for Application shall be same as set out in "Terms of the Issue—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process" on page 157.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as at the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialised Rights Entitlements are transferred from the suspense demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

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 "Terms of the Issue—Basis of Allotment" on page 157.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renounees 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

- a) Please read the Draft Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
- b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regards to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Draft 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.

c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under “Terms of the Issue—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” on page 157.

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 the Stock Exchange.

e) Applications should not be submitted to the Bankers 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 this Issue shall be made into the accounts of such Investors.

g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“Demographic Details”) are updated, true and correct, in all respects. Investors applying under this 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 this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. 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 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. 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) Investors should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. The 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 holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.

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 this Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as at 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 by them do not exceed the prescribed limits under the applicable law.
- n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- q) Do not pay the Application Money in cash, by money order, pay order or postal order.
- r) Do not submit multiple Applications.
- s) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.
- t) 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 this Issue are liable to be rejected on the following grounds:

- a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- c) Sending an Application to our Company, Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- d) 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) appear to our Company or its agents to have been executed in, electronically transmitted from or dispatched from jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States, and is eligible to subscribe for the Rights 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 Rights Equity Shares in respect of any such Application Form.

- q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- r) Application from Investors that are residing in U.S. address as per the depository records.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialised form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlementment 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, please see “Terms of the Issue—Procedure for Applications by Mutual Funds” on page 157.

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 on through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of our Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “Capital Structure” on page 38.

Procedure for Applications by certain categories of Investors

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share

warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100% under automatic route).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. 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 this 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 this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of our Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any Allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a 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 Circular 2020 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

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], 2024, 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 Exchange and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by 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 “Terms of the Issue—Basis of Allotment” on page 157.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

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, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. 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 at 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 (www.purvashare.com) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.sonalisconsumer.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 dematerialised 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 account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

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 Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as at 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 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 www.purvashare.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 Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised 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 account (namely, “[●] RE Suspense Account”) 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 Listing 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 at 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 [●], 2024 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form as at Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

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 Exchange (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.

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.

a) 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 Exchange through a registered stock-broker in the same manner as the existing Equity Shares.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN: [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange 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 Exchange from time to time.

The Rights Entitlements are tradable in dematerialised 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 [●]2024 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: [●] band 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 BSE 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 Exchange and the SEBI.

b) 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.

V. 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.

In case of Application through the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorising 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, and pursuant to the finalisation 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, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this 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 Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS 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 the Issue such as face value, Issue Price, Rights Entitlement ratio, please see “The Issue” on page 33.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Equity Share for every [●] Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] 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.

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 this Issue shall be subject to the provisions of this Draft 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 Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall, upon being fully paid-up 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 this 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 the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary 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 through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Rights Equity Shares subsequent

to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 543924) under the ISIN: INE0N5O01013. 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 Exchange. 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 this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, 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 the Stock Exchange, 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 this Issue by our Promoters and members of our Promoter Group

Our promoter and members of our promoter group intend to subscribe to their entire Rights entitlement in this rights issue.

Rights of Holders of Rights Equity Shares

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- a) The right to receive dividend, if declared;
- b) The right to receive surplus on liquidation;
- c) The right to receive offers for rights shares and be allotted bonus shares, if announced;
- d) The right to free transferability of Rights Equity Shares;
- e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Draft Letter of Offer; and
- f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares shall be tradable only in dematerialised form. The market lot for the Rights 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 the Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this 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 Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable 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

Marathi language daily newspaper with wide circulation (Marathi being the regional language of Maharashtra, where our Registered Office is located).

This Draft Draft Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their 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 newissue@purvashare.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 the Draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchange. Further, Application Forms will be made available at Registered Office 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.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, OCBs have been derecognised as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and to obtain prior approval from RBI for applying in this Issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by email to newissue@purvashare.com and cs@appetitefood.in.net respectively.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALISED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON 186.

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS #	[●]
ISSUE CLOSING DATE*	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]

DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

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

* Our Board or a duly authorised 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 Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as at 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, i.e., [●], to enable the credit of the Rights Entitlements by way of transfer from the demat suspense account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●]. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder 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. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.purvashare.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company.

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in the Draft Draft 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 Renounee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights 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 this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board or its Rights Issue Committee in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- d) Allotment to Renounees who having applied for all the Rights 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 this 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 this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them along with crediting the Allotted 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 4 (Four) 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 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 (Four) days’ period.

The Rights Entitlements will be credited in the dematerialised 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 unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

- a) Unblocking amounts blocked using ASBA facility.
- b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by 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 centers 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.
- c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“IFSC Code”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as at a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar, to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. 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 Dematerialised Form

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 CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS AT THE RECORD DATE.

Investors shall be Allotted the Rights Equity Shares in dematerialised (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 dematerialised form, instead of holding the Equity Shares in the form of physical certificates:

- a) Tripartite agreement dated December 8, 2022 amongst our Company, NSDL and the Registrar to the Issue; and
- b) Tripartite agreement dated September 2, 2022 amongst our Company, CDSL 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 this 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 dematerialised 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 this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

XIII. IMPERSONATION

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹0.1 crore or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50 lakhs or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilised out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed until the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- C. Details of all unutilised monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- 1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Equity Shares are to be listed will be taken by our Board within the period prescribed by SEBI.
- 3. The funds required for unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- 4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant 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.
- 5. In case of unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

6. Adequate arrangements shall be made to collect all ASBA Applications.
7. As of the date of this Draft Draft Letter of Offer, our Company had not issued any outstanding compulsorily convertible debt instruments. Further, except as disclosed in this Draft Draft Letter of Offer, our Company has not issued any outstanding convertible debt instruments.
8. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Draft 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 this Draft Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Draft Draft Letter of Offer must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed "Sonalis Consumer Products Limited – Rights Issue" on the envelope and postmarked in India) to the Registrar at the following address:

Purva Sharegistry (India) Private Limited
Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate,
J. R. Boricha Marg, Lower Parel East, Mumbai – 400011, Maharashtra,
Contact Details: +91-22-4961 4132/ +91-22-3199 8810
Email Address: newissue@purvashare.com;
Website: www.purvashare.com;
Contact Person: Ms. Deepali Dhuri;
SEBI Registration Number: INR000001112

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar to the Issue (www.purvashare.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 22 4961 4132 / +91 22 3199 8810.
4. The Investors can visit following links for the below-mentioned purposes:
 - a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.purvashare.com
 - b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: www.purvashare.com
 - c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.purvashare.com
 - d) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: <https://www.purvashare.com>

This Issue will remain open for a minimum 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).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Consolidated FDI Policy and FEMA. The FDI Policy prescribes the limits and conditions subject to which foreign investment can be made in different sectors of the Indian economy and FEMA regulates the precise manner in which such investment may be made.

The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI. Pursuant to the press release dated May 24, 2017, the Union Cabinet phased out the FIPB and it was replaced by the Foreign Investment Facilitation Portal (FIFP) to speed up the FDI inflow and to increase the transparency in the FDI approvals in the country. The DIPP issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "SOP"). The SOP provides a list of the competent authorities to grant approvals for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under the automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned Administrative Ministry/Department shall act as the competent authority (the "Competent Authority") for the grant of post facto approval for foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP will identify the Competent Authority.

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued a consolidated FDI Policy DPIIT File Number 5(2)/2020-FDI Policy Dated the October 15, 2020 ("FDI Policy 2020"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force till that date. The Government of India proposes to update the consolidated circular on FDI policy once every year and therefore, the FDI Policy 2020 will be valid until the DIPP issues an updated circular.

Under the FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to 100% without any prior approvals, however the foreign investor must 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 FIFP.

The transfer of shares between an Indian resident and a non-resident does not need 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 the 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 extant policy of the Government of India, erstwhile OCBs cannot participate in this Issue. OCBs or Overseas Corporate Bodies have been de-recognised as a class of investor entity in India with effect from September 16, 2003.

Overseas Corporate Body means a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non- Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on September 16, 2003 and was eligible to undertake transactions pursuant to the general permission granted under FEMA. Any investment made in India by such entities will be treated as investments by incorporated non-resident entities, i.e., a foreign company.

The Issue, if renounced by our shareholders, may include offers within India, to Indian institutional, non institutional and retail investors in offshore transactions as defined in, and made in reliance upon exemptions from the registration requirements under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), including the exemption under Regulation S ("Regulation S") of the U.S. Securities Act.

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

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SECTION IX - STATUTORY & 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.

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SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all working days from the date of the Draft Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Registrar Agreement dated November 28, 2022 entered into between our Company and the Registrar to the Issue.
2. Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank.

B. Material Documents

1. Certificate of incorporation dated March 15, 2022 and Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
2. Resolution of the Board of Directors dated November 18, 2024, in relation to the Issue.
3. Resolution of the Board of the Directors dated [●], approving and adopting this Letter of Offer.
4. Consent of our Directors, Company Secretary and Compliance Officer, Statutory and Peer reviewed Auditor, Legal Advisor, the Registrar to the Issue, Banker to the Company and Banker to the Issue/ Refund Bank for inclusion of their names in the Draft Letter of Offer in their respective capacities.
5. Copies of Annual Reports of our Company for the Financial Year ended on March 31, 2024 and March 31, 2023.
6. Statement of Tax Benefits dated December 03, 2024 from the Statutory Auditor included in this Draft Letter of Offer.
7. Tripartite Agreement dated September 2, 2022 between our Company, CDSL and the Registrar to the Issue.
8. Tripartite Agreement dated December 8, 2022 between our Company, NSDL and the Registrar to the Issue.
9. In-principle approvals dated [●] issued by BSE, 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 Draft 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 Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

SD/- _____ SONALI NILESH KOCHAREKAR (Managing Director)	SD/- _____ SMITA SHASHIKANT SHAH (Whole Time Director)
SD/- _____ SANJAY RAJKUMAR DUA (Executive Director)	SD/- _____ DEVENDRAKUMAR KESHVLAL VIRADIYA (Non-Executive Director)
SD/- _____ SUNDEEP PAUL MENEZES (Non-Executive Independent Director)	SD/- _____ EKTA ANUJ CHUGANI (Non-Executive Independent Director)
SD/- _____ SHIVANG SHASHIKANT SHAH (CFO)	SD/- _____ SWETA AGARAWAL (Company Secretary)

Date: December 11, 2024

Place: Mumbai