



(Please scan this QR Code to view Prospectus)

PROSPECTUS

May 17, 2023

Please read Section 26 of the Companies Act, 2013
(This Prospectus will be updated upon filing with the RoC)
100% Fixed Price Offer



Proventus Agrocom Limited

Corporate Identification Number: U74999MH2015PLC269390

| REGISTERED OFFICE | CONTACT PERSON | TEL. NO. & E-MAIL | WEBSITE |
|---|--|--|--|
| Unit 515, 5th Floor, C Wing, 1 MTR Cabin, Atrium, Village Mulgaon, MV Road, Andheri (East), Near Acme Plaza, Mumbai - 400 069, Maharashtra, India | Pinal Rakesh Darji, Company Secretary & Compliance Officer | Tel.: +91 22 6211 0900 E-mail: cs@proventusagro.com | www.proventusagro.com |
| PROMOTERS OF OUR COMPANY: DURGA PRASAD JHAWAR, DEEPAK KUMAR AGRAWAL, SHALIN SANJIV KHANNA AND SHREE JMD INVESTMENT ADVISORS LLP | | | |

| DETAILS OF THE OFFER | | | | ELIGIBILITY |
|--------------------------------|---|--|---|--|
| TYPE | FRESH ISSUE SIZE | OFFER FOR SALE | TOTAL OFFER SIZE | |
| Fresh Issue and Offer for Sale | Fresh Issue of up to 6,71,853* Equity Shares aggregating up to ₹ 5,179.99 lakhs | Offer for Sale of up to 2,30,147* Equity Shares aggregating up to ₹ 1,774.43 lakhs | Offer of 9,02,000* Equity Shares aggregating up to ₹ 6,954.42 lakhs | The Offer is being made pursuant to Regulation 229 (1) of SEBI ICDR Regulations, 2018. |

* Subject to finalisation of Basis of Allotment

| DETAILS OF THE OFFER FOR SALE | | | |
|-----------------------------------|------------------------------|--------------------------|---|
| NAME OF SELLING SHAREHOLDER | TYPE | NUMBER OF SHARES OFFERED | WEIGHTED AVERAGE COST OF ACQUISITION ON FULLY DILUTED BASIS (IN ₹ PER SHARE)* |
| Shree JMD Investment Advisors LLP | Promoter Selling Shareholder | 1,02,147 | 208.14 |
| Shalin Sanjiv Khanna | Promoter Selling Shareholder | 4,998 | 199.34 |
| Sanjiv Jagdish Khanna | Promoter Selling Shareholder | 8,000 | 240.00 |
| Guruprasad Rao | Other Selling Shareholder | 95,001 | 240.00 |
| Manish Bhagchand Jain HUF | Other Selling Shareholder | 20,001 | 240.00 |

*As certified by M/s N B T and Co, Chartered Accountants, by way of their certificate dated April 17, 2023 read with certificate dated March 24, 2023

| RISK IN RELATION TO FIRST OFFER |
|--|
| This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10. The Offer Price as determined and justified by our Company in consultation with the Lead Manager in accordance with the SEBI ICDR Regulations and as stated in "Basis for Offer Price" on page 88, should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing. |

| GENERAL RISKS |
|--|
| Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of the Issuer and this Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 25. |

| COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY |
|--|
| Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and this Offer, which is material in the context of this Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements expressly and specifically made by them in this Prospectus to the extent of information specifically pertaining to them and their respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each of the Selling Shareholders assumes no responsibility, as a Selling Shareholder, for any other statement in this Prospectus, including, inter alia, any of the statements made by or relating to our Company or Other Selling Shareholder or any other persons(s). |

| LISTING |
|---|
| The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform ("NSE EMERGE") of National Stock Exchange of India Limited ("NSE"). Our Company has received an In-Principal Approval letter dated NSE/LIST/2315 dated May 15, 2013 from NSE for using its name in this offer document for listing our shares on NSE EMERGE. For the purpose of this Offer, the Designated Stock Exchange will be the NSE. A signed copy of the Prospectus shall be delivered to the RoC for filing. For details of the material contracts and documents that will be available for inspection from the date of the Prospectus up to the Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 345. |

| NAME OF LEAD MANAGER AND LOGO | CONTACT PERSON | TEL. NO. AND E-MAIL |
|---|-----------------------------|---|
| Sundae Capital Advisors Private Limited | Rajiv Sharma / Anchal Lohia | Tel. No. +91 22 6884 1336 Email: prov.ipo@sundaecapital.com |
| NAME OF REGISTRAR AND LOGO | CONTACT PERSON | TEL. NO. AND E-MAIL |
| Bigshare Services Private Limited | Babu Raphael | Tel.: + 91 22 6263 8200 Fax: +91 22 6263 8299 E-mail ID: ipo@bigshareonline.com |

| OFFER PROGRAMME | | | |
|-----------------|--------------------------|-------------------|-----------------------|
| Offer Opens on | May 24, 2023 (Wednesday) | Offer Closes on * | May 26, 2023 (Friday) |

*The UPI mandate end time and date shall be at 5:00 p.m. on the Offer Closing Day.



Proventus Agrocom Limited

Our Company was incorporated as "Manthan Agrocom Private Limited" at Mumbai as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated October 20, 2015, issued by the RoC. Subsequently, the name of our Company was changed from "Manthan Agrocom Private Limited" to "Proventus Agrocom Private Limited" and a fresh certificate of incorporation issued by RoC recording the change in name was issued on December 14, 2015. Subsequently, our Company was converted to a public limited company and the name of our Company changed to "Proventus Agrocom Limited" and a fresh certificate of incorporation dated March 21, 2023 was issued by the RoC. The CIN of our Company is U74999MH2015PLC269390. For details in relation to changes in the registered office of our Company, see "History and Certain Corporate Matters" on page 134.

Registered Office: Unit 515, 5th Floor, C Wing, 1 MTR Cabin, Atrium, Village Mulgaon, MV Road, Andheri (East), Near Acme Plaza, Mumbai - 400 069, Maharashtra, India
Tel. No.: +91 22 6211 0900; Contact Person: Pinal Rakesh Darji, Company Secretary & Compliance Officer
E-mail id: cs@proventusagro.com; Website: www.proventusagro.com

| | | |
|---|--------------------------|---|
| THE PROMOTERS OF OUR COMPANY ARE DURGA PRASAD JHAWAR, DEEPAK KUMAR AGRAWAL, SHALIN SANJIV KHANNA AND SHREE JMD INVESTMENT ADVISORS LLP | | |
| THE OFFER | | |
| INITIAL PUBLIC OFFER OF UP TO 9,02,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF PROVENTUS AGROCOM LIMITED ("COMPANY" / "ISSUER") FOR CASH AT A PRICE OF ₹ 771 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 761 PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ 6,954.42 LAKHS COMPRISING A FRESH ISSUE OF UP TO 6,71,853 EQUITY SHARES AGGREGATING UP TO ₹ 5,179.99 LAKHS BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 2,30,147 EQUITY SHARES AGGREGATING UP TO ₹ 1,774.43 LAKHS ("OFFERED SHARES") BY THE SELLING SHAREHOLDERS COMPRISING UP TO 1,15,145 EQUITY SHARES AGGREGATING UP TO ₹ 887.77 LAKHS BY SHREE JMD INVESTMENT ADVISORS LLP, SHALIN SANJIV KHANNA AND SANJIV JAGDISH KHANNA (THE "PROMOTER SELLING SHAREHOLDER") AND UP TO 1,15,002 EQUITY SHARES AGGREGATING UP TO ₹ 886.67 LAKHS BY GURUPRASAD RAO AND MANISH BHAGCHAND JAIN HUF (COLLECTIVELY "OTHER SELLING SHAREHOLDERS") (THE PROMOTER SELLING SHAREHOLDERS AND THE OTHER SELLING SHAREHOLDERS, COLLECTIVELY REFERRED TO AS THE "SELLING SHAREHOLDERS") ("OFFER FOR SALE", TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). | | |
| THE OFFER INCLUDES A RESERVATION OF UP TO 45,100 EQUITY SHARES AGGREGATING UP TO ₹ 347.72 LAKHS FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE 26.32% AND 25.00%, RESPECTIVELY, OF THE POST-OFFER PAIDUP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED "TERMS OF THE OFFER" BEGINNING ON PAGE 285 OF THIS PROSPECTUS. | | |
| THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE OFFER PRICE IS 77.1 TIMES OF THE FACE VALUE | | |
| In terms of Rule 19(2)(b)(i) of the SCRR this Offer is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Offer is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Offer is allocated for Retail Individual Investors and the balance shall be offered to individual applicants other than Retail Individual Investors and other investors including corporate bodies or institutions, QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Investors is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIIs and vice-versa subject to valid applications being received from them at or above the Offer Price. Additionally, if the Retail Individual Investors category is entitled to more than 50% on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. All potential investors shall participate in the Offer only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of the respective bank accounts and / or UPI IDs, in case of RILs, if applicable, which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Offer Procedure" beginning on page 295 of this Prospectus. A copy of the Prospectus has been filed with the Registrar of Companies as required under Section 26 of the Companies Act, 2013. | | |
| RISK IN RELATION TO THE FIRST OFFER | | |
| This being the first public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the Equity Shares of our Company is ₹ 10 each and the Offer Price is 77.1 times of face value per Equity Share. The Offer Price (determined and justified by our Company in consultation with the Lead Manager, as stated under chapter titled "Basis for Offer Price" beginning on page 88 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and / or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing. | | |
| GENERAL RISKS | | |
| Investments in equity and equity-related securities involve a degree of risk and Investor should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the Investors is invited to "Risk Factors" on page 25. | | |
| ISSUER'S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY | | |
| Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements expressly and specifically made by them in this Prospectus to the extent of information specifically pertaining to them and their respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each of the Selling Shareholders assumes no responsibility, as a Selling Shareholder, for any other statement in this Prospectus, including, inter alia, any of the statements made by or relating to our Company or Other Selling Shareholder or any other persons(s). | | |
| LISTING | | |
| The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform ("NSE EMERGE") of National Stock Exchange of India Limited ("NSE"). Our Company has received an In-Principal Approval letter dated NSE/LIST/2315 dated May 15, 2013 from NSE for using its name in this offer document for listing our shares on NSE EMERGE. For the purpose of this Offer, the Designated Stock Exchange will be the NSE. A signed copy of the Prospectus shall be delivered to the RoC for filing. For details of the material contracts and documents that will be available for inspection from the date of the Prospectus up to the Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 345. | | |
| LEAD MANAGER TO THE OFFER | | REGISTRAR TO THE OFFER |
|  Sundae Capital Advisors Private Limited Level 11, Platina, Plot No C - 59, 'G' Block, Bandra Kurla Complex Bandra (East), Mumbai - 400 051, Maharashtra, India Tel. No. +91 22 6884 1336 Email: prov_ipo@sundaecapital.com Investor Grievance e-mail id: grievances.mb@sundaecapital.com Website: www.sundaecapital.com SEBI Regn. No.: INM000012494 Contact Person: Rajiv Sharma / Anchal Lohia | |  Bigshare Services Pvt. Ltd. Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400 093, Maharashtra, India Tel.: +91 22 6263 8200 Fax: +91 22 6263 8299 E-mail ID: ipo@bigshareonline.com Website: www.bigshareonline.com SEBI Regn. No.: INR000001385 Contact Person: Babu Raphael |
| OFFER PROGRAMME | | |
| Offer Opens on | May 24, 2023 (Wednesday) | Offer Closes on * |
| | | May 26, 2023 (Friday) |

*The UPI mandate end time and date shall be at 5:00 p.m. on the Offer Closing Day.

THIS PAGE IS INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

| | |
|---|-----|
| SECTION I: GENERAL INFORMATION | 1 |
| DEFINITIONS AND ABBREVIATION | 1 |
| CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA | 14 |
| FORWARD-LOOKING STATEMENTS | 16 |
| SUMMARY OF THE OFFER DOCUMENT | 18 |
| SECTION II: RISK FACTORS | 25 |
| SECTION III: INTRODUCTION | 53 |
| THE OFFER | 53 |
| SUMMARY OF RESTATED SUMMARY STATEMENTS | 54 |
| GENERAL INFORMATION | 58 |
| CAPITAL STRUCTURE | 68 |
| SECTION IV: PARTICULARS OF THE OFFER | 78 |
| OBJECTS OF THE OFFER | 78 |
| BASIS FOR OFFER PRICE | 88 |
| STATEMENT OF SPECIAL TAX BENEFITS | 91 |
| SECTION V: ABOUT OUR COMPANY | 97 |
| INDUSTRY OVERVIEW | 97 |
| OUR BUSINESS | 107 |
| KEY REGULATIONS AND POLICIES | 126 |
| HISTORY AND CERTAIN CORPORATE MATTERS | 134 |
| OUR MANAGEMENT | 140 |
| OUR PROMOTERS AND PROMOTER GROUP | 155 |
| OUR GROUP COMPANIES | 161 |
| DIVIDEND POLICY | 162 |
| SECTION VI: FINANCIAL INFORMATION | 163 |
| RESTATED CONSOLIDATED FINANCIAL STATEMENTS | 163 |
| OTHER FINANCIAL INFORMATION | 234 |
| CAPITALISATION STATEMENT | 236 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS | 237 |
| FINANCIAL INDEBTEDNESS | 253 |
| RELATED PARTY TRANSACTIONS | 256 |
| SECTION VII: LEGAL AND OTHER INFORMATION | 257 |
| OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS | 257 |
| GOVERNMENT AND OTHER STATUTORY APPROVALS | 263 |
| OTHER REGULATORY AND STATUTORY DISCLOSURES | 273 |
| SECTION VIII: OFFER RELATED INFORMATION | 285 |
| TERMS OF THE OFFER | 285 |
| OFFER STRUCTURE | 292 |
| OFFER PROCEDURE | 295 |
| RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES | 318 |
| SECTION IX: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION | 320 |
| SECTION X: OTHER INFORMATION | 345 |
| MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION | 345 |
| DECLARATION | 347 |

SECTION I: GENERAL INFORMATION

DEFINITIONS AND ABBREVIATION

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications, directions, or policies shall be to such legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications, directions, or policies as amended, updated, supplemented, re-enacted or modified, from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.

The words and expressions used in this Prospectus, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, the SEBI Act, the Companies Act, the SCRA, the Depositories Act and the rules and regulations notified thereunder, as applicable.

The terms not defined herein but used in “Statement of Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies”, “Basis for Offer Price”, “History and Certain Corporate Matters”, “Financial Information”, “Outstanding Litigation and Other Material Developments”, “Offer Procedure”, and “Main Provisions of the Articles of Association” on pages 91, 97, 126, 88, 134, 163, 257, 295 and 320 respectively, shall have the meanings ascribed to such terms in these respective sections.

GENERAL TERMS

| Term | Description |
|--|---|
| “Proventus Agrocom”, “Proventus”, “the Company”, “our Company” and Proventus Agrocom Limited | Proventus Agrocom Limited, a Company incorporated under the Companies Act, 2013 and having its registered and corporate office at Unit 515, 5th Floor, C Wing, 1 MTR Cabin, Atrium, Village Mulgaon, MV Road, Andheri (East), Near Acme Plaza, Mumbai - 400 069, Maharashtra, India |
| “we”, “us”, “ours” | Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries, on a consolidated basis |
| “you”, “your” or “yours” | Prospective investors in this Offer |

COMPANY AND SELLING SHAREHOLDERS RELATED TERMS

| Term | Description |
|--|---|
| AOA / Articles / Articles of Association | Articles of Association of Proventus Agrocom Limited, as amended from time to time. |
| Audit Committee | The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations. |
| Auditors/ Statutory Auditors | The Auditors of the Company, being M/s N B T and Co, Chartered Accountants. |
| Board of Directors / the Board / our Board | The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “Our Management” beginning on page 140 of this Prospectus. |
| Chairman / Chairperson | The Chairman / Chairperson of Board of Directors of our Company, being Mr. Ranganathan Subramanian. |
| CIN | Corporate Identification Number of our Company, i.e. U74999MH2015PLC269390 |
| Chief Financial Officer / CFO | The Chief Financial Officer of our Company, being Ankush Bhagchand Jain |
| Companies Act | The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force. |
| Company Secretary and Compliance Officer | The Company Secretary and Compliance Officer of our Company, being Pinal Rakesh Darji |
| Directors / Our Directors | The Director(s) of our Company, unless otherwise specified |
| Equity Shares | Equity Shares of the Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof |
| Equity Shareholders | Persons/ Entities holding Equity Shares of our Company |

| | |
|--|--|
| Executive Directors | Executive Directors are the Managing Director & Whole Time Directors of our Company |
| Group Companies | Companies with which there were related party transactions as disclosed in the Restated Consolidated Financial Statements as covered under the applicable accounting standards, and also other companies as considered material by our Board of the Issuer as disclosed in “Our Group Companies” on page 161 of this Prospectus |
| Independent Director | A non-executive & Independent Director as per the Companies Act, 2013 and the SEBI Listing Regulations |
| ISIN | International Securities Identification Number of our Company, being INE00NE01016 |
| Key Management Personnel / KMP | Key Management Personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013. For details, see section entitled “Our Management” on page 140 of this Prospectus |
| Managing Director & CEO | The Managing Director & Chief Executive Officer of our Company, being Durga Prasad Jhawar |
| Materiality Policy | The policy on identification of group companies, material creditors and material litigation, adopted by our Board on March 21, 2023, in accordance with the requirements of the SEBI (ICDR) Regulations, 2018 |
| Material Subsidiary(ies) | Material Subsidiaries of our Company, namely, Prov Foods Private Limited and Proventus Retail Private Limited |
| MOA / Memorandum / Memorandum of Association | Memorandum of Association of our Company as amended from time to time. |
| Nomination and Remuneration Committee | The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the SEBI Listing Regulations |
| Non Executive Director | A Director not being an Executive Director or an Independent Director |
| Other Selling Shareholder(s) Person or Persons | Guruprasad Rao and Manish Bhagchand Jain HUF Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires |
| Promoters | The Promoter of our Company i.e. Durga Prasad Jhawar, Deepak Kumar Agrawal, Shalin Sanjiv Khanna and Shree JMD Investment Advisors LLP. For further details, please refer to section titled “Our Promoters and Promoter Group” beginning on page 155 of this Prospectus |
| Promoter Group | Includes such Persons and entities constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as enlisted in the section titled “Our Promoter and Promoter Group” beginning on page 155 of this Prospectus. |
| Promoter Selling Shareholder(s) | Shree JMD Investment Advisors LLP, Shalin Sanjiv Khanna and Sanjiv Jagdish Khanna |
| ProV Foods | Prov Foods Private Limited |
| Proventus Retail | Proventus Retail Private Limited |
| Registered Office | Unit 515, 5th Floor, C Wing, 1 MTR Cabin, Atrium, Village Mulgaon, MV Road, Andheri (East), Near Acme Plaza, Mumbai - 400 069, Maharashtra, India |
| Restated Consolidated Financial Statements | The Restated Consolidated Financial Statements of the Company, which comprises of the restated consolidated audited balance sheet, the restated consolidated profit and loss information and restated consolidated cash flow information, for the stub period ended on December 31, 2022 and for the financial years ended March 31, 2022, 2021 and 2020 together with the annexure and notes thereto |
| RoC/ Registrar of Companies | Registrar of Companies, Mumbai, Maharashtra |
| Selling Shareholders | Collectively, the Promoter Selling Shareholders and Other Selling Shareholders |
| Shareholders | Shareholders of our Company |
| Stock Exchange | Unless the context requires otherwise, refers to, National Stock Exchange of India Limited |

| | |
|---------------------------------------|--|
| Stakeholders' Relationship Committee | Stakeholder's relationship committee of our Company constituted in accordance with Companies Act, 2013 |
| Subscriber to MOA / Initial Promoters | Initial Subscriber to MOA & AOA being Durga Prasad Jhawar and Shalin Sanjiv Khanna |
| Subsidiary(ies) | The subsidiary(ies) of our Company namely, Prov Foods Private Limited, Proventus Retail Private Limited and Pro-Nova Bio Technologies Private Limited, incorporated in India and Proventus Commodities DMCC, incorporated in Dubai |

OFFER RELATED TERMS

| Term | Description |
|--|---|
| Abridged Prospectus | Abridged prospectus means a memorandum containing such salient features of prospectus as may be specified by the SEBI in this behalf |
| Acknowledgment Slip | The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form |
| Allotment / Allot / Allotted | Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholder pursuant to the Offer for Sale to successful Applicants |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges |
| Allotment Date | Date on which the Allotment is made |
| Allottee(s) | The successful Applicant to whom the Equity Shares are being / have been issued |
| Applicant(s) / Investor(s) | Any prospective investor who makes an application pursuant to the terms of the Prospectus. All the applicants should make application through ASBA only |
| Application Lot | 160 Equity Shares and in multiples thereof |
| Application Amount | The amount at which the prospective investors shall apply for Equity Shares of our Company in terms of this Prospectus |
| Application Supported by Blocked Amount / ASBA | A bank account maintained with an SCSB by an ASBA applicant, as specified in the ASBA Form submitted by ASBA Applicants for blocking the Application Amount mentioned in the relevant ASBA Form and includes the account of UPI applicants which is blocked upon acceptance of a UPI Mandate Request made by the UPI Applicants using the UPI Mechanism |
| ASBA Account | A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by the Investors for blocking the Application Amount mentioned in the ASBA Form |
| ASBA Applicant / Applicant | Any prospective investor who makes an application pursuant to the terms of the Prospectus and the ASBA Form including through UPI mode (as applicable) |
| ASBA Application / Application | An application form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Prospectus |
| ASBA Form / Application Form | An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Applicants and which will be considered as an application for Allotment in terms of the Prospectus |
| Banker to the Offer | Banks which are clearing members and registered with SEBI as Bankers to an Offer and with whom the Public Offer Account will be opened, in this case being ICICI Bank Limited |
| Banker to the Offer and Sponsor Bank Agreement | Agreement dated May 09, 2023 entered into between our Company, Lead Manager, the Registrar to the Offer, Banker to the Offer and Sponsor Bank for collection of the Application Amount on the terms and conditions thereof |
| Basis of Allotment | The basis on which the Equity Shares will be Allotted, described in "Offer Procedure" on page 295 of this Prospectus |
| Bidding Centres | Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for |

| | |
|--|---|
| | members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs |
| Broker Centres | Broker centres notified by the Stock Exchanges where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange |
| Business Day | Monday to Friday (except public holidays) |
| CAN or Confirmation of Allocation Note | The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the Designated Stock Exchange |
| Client ID | Client Identification Number maintained with one of the Depositories in relation to demat account |
| Collecting Depository Participants or CDPs | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Controlling Branches of the SCSBs | Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Offer and the Stock Exchange and a list of which is available at www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time |
| Collection Centres | Centres at which the Designated intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, specified locations for syndicate, broker centre for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs |
| Depository / Depositories | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL |
| Demographic Details | The demographic details of the Applicants such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable) |
| Designated Date | The date on which relevant amounts are transferred from the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of UPI applicants using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Offer. |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/ Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time |
| Designated CDP Locations | Such locations of the CDPs where ASBA Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com |
| Designated RTA Locations | Such locations of the RTAs where ASBA Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com |
| Designated Intermediaries / Collecting Agent | An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an Offer and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity) |

| | |
|---|---|
| Designated Stock Exchange | National Stock Exchange of India Limited (SME Platform) (“NSE EMERGE”) |
| DP | Depository Participant |
| DP ID | Depository Participant’s Identity Number |
| Draft Prospectus | Draft prospectus dated April 17, 2023 issued in accordance with Section 23 and 26 of the Companies Act, 2013 and SEBI ICDR Regulation, including any addendum or corrigendum thereto |
| Eligible NRI | A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom this Prospectus will constitute an invitation to subscribe for the Equity Shares |
| Emerge Platform of NSE | The Emerge Platform of NSE for Listing of Equity Shares offered under Chapter IX of SEBI (ICDR) Regulations which was approved by SEBI as an NSE Emerge on October 14, 2011 |
| Equity Shares | Equity Shares of our Company of face value ₹ 10 each |
| Electronic Transfer of Funds | Refunds through ECS, NEFT, Direct Credit or RTGS as applicable |
| Eligible QFIs | QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares issued thereby and who have opened demat accounts with SEBI registered qualified depository participants |
| FII / Foreign Institutional Investors | Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India |
| First / Sole Applicant | Applicant whose name shall be mentioned in the Application Form or the Revision Form and in case of joint Applicants, whose name shall also appear as the first holder of the beneficiary account held in joint names |
| Foreign Venture Capital Investors | Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000 |
| FPI / Foreign Portfolio Investor | A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended |
| Fraudulent Borrower | Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations |
| Fresh Issue | The issue of up to 6,71,853 Equity Shares at ₹ 771 per Equity Share (including a premium of ₹ 761 per Equity Share) aggregating up to ₹ 5,179.99 Lakhs by our Company. |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 |
| General Information Document / GID | The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 notified by SEBI. The General Information Document shall be available on the websites of the Stock Exchanges and the Lead Manager. |
| IPO / Offer / Offer Size / Public Offer | The initial public offer of up to 9,02,000 equity shares of face value of ₹ 10 each (“ Equity Shares ”) of our Company for cash at a price of ₹ 771 per Equity Share (including a share premium of ₹ 761 per Equity Share) aggregating up to ₹ 6,954.42 lakhs comprising a Fresh Issue of up to 6,71,853 Equity Shares aggregating up to ₹ 5,179.99 lakhs by our Company and an Offer for Sale of up to 2,30,147 Equity Shares aggregating up to ₹ 1,774.43 lakhs by the Selling Shareholder |
| Offer Agreement | The agreement dated April 17, 2023 amongst our Company, the Selling Shareholder and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Offer |

| | |
|---|--|
| Lead Manager | Lead Manager to the Offer, in this case being Sundae Capital Advisors Private Limited, SEBI Registered Category I Merchant Banker |
| Listing Agreement | The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited |
| Lot Size | The Market lot and Trading lot for the Equity Share is 160 and in multiples of 160 thereafter; subject to a minimum allotment of 160 Equity Shares to the successful applicants |
| Market Making Arrangement | The Market Making Agreement dated may 17, 2023 between our Company, Lead Manager and Market Maker |
| Market Maker | Ajcon Global Services Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations |
| Market Maker Reservation Portion | The reserved portion of 45,100 Equity Shares of ₹ 10 each at an Offer price of ₹ 771 per Equity Share aggregating to ₹ 347.72 Lakhs to be subscribed by Market Maker in this Offer |
| Mutual Funds | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time |
| Net Offer | The Offer excluding the Market Maker Reservation Portion of 45,100 Equity Shares of Face Value of ₹ 10 each fully paid for cash at a price of ₹ 771 per Equity Share aggregating ₹ 6,606.70 Lakhs by our Company |
| Net Proceeds | The proceeds from the Fresh Issue less the Offer related expenses applicable to the Fresh Issue |
| Non-Institutional Investors / Applicant | All Investors including FPIs that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for a cumulative amount more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs) |
| Non-Resident | A person resident outside India, as defined under FEMA Act, 1999 and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI |
| NSE | National Stock Exchange of India Limited |
| NSE EMERGE | The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares issued under Chapter IX of the SEBI ICDR Regulations |
| Offer Closing Date | The date on which the Offer closes for subscription i.e., May 26, 2023. |
| | In case of any revision in the Offer Price, the extended Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the Lead Manager and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in all editions of Business Standard, English and Hindi language (a widely circulated English national daily newspaper) and Mumbai edition of Mumbai Lakshadeep (Marathi being the regional language of Mumbai, where our Registered Office is located) |
| Offer Opening Date | The date on which the Offer Opens for subscription i.e., May 24, 2023 |
| Offer Period | The period between the Offer Opening Date and the Offer Closing Date, inclusive of both days, during which prospective Applicant(s) can submit their Applications, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Prospectus. Provided, however, that the Offer Period shall be kept open for a minimum of three Working Days for all categories of Applicant(s). |
| | In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholder may, in consultation with the Lead Manager, for reasons to be recorded in writing, extend the Offer Period for a minimum of three Working Days, subject to the Offer Period not exceeding 10 Working Days |
| Offer Price | The price at which the Equity Shares are being issued by our Company and in consultation with the Lead Manager under this Prospectus being ₹ 771 per Equity Share |

| | |
|--|--|
| Offer Proceeds | The gross proceeds of the Offer which shall be available to our Company, based on the total number of Equity Shares Offered and Allotted at the Offer Price. For further information about use of the Offer Proceeds, see “Objects of the Offer” beginning on page 78 of this Prospectus |
| Offer for Sale | The Offer for Sale of up to 2,30,147 Equity Shares by the Selling Shareholder aggregating up to ₹ 1,774.43 Lakhs |
| Offered Shares | The Equity Shares being offered by the Selling Shareholder in the Offer for Sale comprising up to 2,30,147 Equity Shares aggregating up to ₹ 1,774.43 Lakhs |
| Overseas Corporate Body / OCB | Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Offer |
| Payment through electronic transfer of funds | Payment through NECS, NEFT or Direct Credit, as applicable |
| Prospectus | The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price, the Offer Size and certain other information, including any addendum or corrigendum thereto |
| Public Offer Account | Account opened with the Bankers to the Offer to receive monies from the SCSBs from the bank account of the ASBA Applicant, on the Designated Date |
| Qualified Foreign Investors / QFIs | Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet ‘know your client’ requirements prescribed by SEBI |
| Qualified Institutional Buyers / QIBs | A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of ₹ 25.00 Crore; a pension fund with minimum corpus of Rs 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India |
| Refund Account(s) | Account(s) to which monies to be refunded to the Applicants shall be transferred from the Public Offer Account in case listing of the Equity Shares does not occur |
| Refund Bank(s) / Refund Banker(s) | The Banker to the Offer with whom the Refund Account(s) will be opened, in this case being ICICI Bank Limited |
| Registrar / Registrar to the Offer / RTA | Registrar to the Offer being Bigshare Services Private Limited |
| Registered Brokers | Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate eligible to procure Applications in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 issued by SEBI |
| Registrar Agreement | The agreement dated April 17, 2023 entered into between our Company, and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer |
| Regulations | SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time |

| | |
|--|--|
| Retail Individual Investors | Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000 |
| Registered Broker | Individuals or companies registered with SEBI as “Trading Members”(except Syndicate/ Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges ,through which investors can buy or sell securities listed on stock exchanges, a list of which is available on http://www.nseindia.com/membership/content/cat_of_mem.htm |
| Reserved Category | Categories of persons eligible for making application under reservation portion |
| Reservation Portion | The portion of the Offer reserved for category of eligible investors as provided under the SEBI (ICDR) Regulations, 2018 |
| Revision Form | Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Applicants and Non-Institutional Investors are not allowed to withdraw or lower their applications (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Investors can revise their Application during the Offer Period or withdraw their Applications until Offer Closing Date |
| Self-Certified Syndicate Bank(s) / SCSB(s) | Banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available http://www.sebi.gov.in/pmd/scsb.pdf |
| SME Exchange / NSE EMERGE | SME Platform of the NSE i.e. NSE EMERGE |
| Specified Locations | Centres where the Syndicate shall accept ASBA Forms from Applicants, a list of which will be included in the Application Form |
| Sponsor Bank | Shall mean a Banker to the Offer registered with SEBI which is appointed by the Issuer to act as a conduit between the Stock Exchanges and National Payments Corporation of India in order to push the mandate collect requests and/or payment instructions of the Applicants as per the UPI Mechanism, in this case being ICICI Bank Limited |
| Sub-account | Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals |
| Syndicate ASBA Bidding Locations | Bidding Centres where an ASBA Applicant can submit their Application in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi |
| Transaction Registration Slip / TRS | The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the ASBA Applicants, as proof of registration of the Application Form |
| Underwriter | The Underwriters in this case being, Sundae Capital Advisors Private Limited |
| Underwriting Agreement | The Agreement dated May 17, 2023 entered between the Underwriter, Lead Manager and our Company |
| Unified Payments Interface (UPI) | UPI is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two person’s bank accounts using a payment address which uniquely identifies a person’s bank Account |
| UPI ID | ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI) |
| UPI Circulars | The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, March 2021 |

| | |
|----------------------|---|
| | Circular, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, June 2021, April 5, 2022 Circular, April 20, 2022 Circular, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard |
| UPI Investor | Collectively, individual investors applying as (i) Retail Individual Investors in the Retail Portion, and (ii) Non-Institutional Investors with an application size of up to ₹ 5,00,000 in the Non-Institutional Portion and applying under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to the April 05, 2022 Circular, all individual investors applying in public issues where the application amount is up to ₹ 5,00,000 shall use UPI and shall provide their UPI ID in the application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (Whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (Whose name is mentioned on the website of the stock exchange as eligible for such activity) |
| UPI Mandate Request | A request (intimating the RII by way of a notification on the Application and by way of a SMS directing the RII to such UPI Application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the Application equivalent to Application Amount and subsequent debit of funds in case of Allotment |
| UPI Mechanism | The Application mechanism that may be used by an RII to make an Application in the Offer in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 |
| UPI PIN | Password to authenticate UPI transaction |
| U.S. Securities Act | U.S. Securities Act of 1933, as amended |
| Venture Capital Fund | Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India |
| Wilful Defaulter | As defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations, 2018 which means a person or an issuer who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India |
| Working Day | In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulation, working day means all days on which commercial banks in the city as specified in the Prospectus are open for business: 1. However, in respect of the Offer Period, working day shall mean all days, excluding Saturday, Sundays and Public holidays, on which commercial banks in the city as notified in this Prospectus are open for business. 2. In respect to the time period between the Offer closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holiday in accordance with circular issued by SEBI |

COMPANY AND INDUSTRY RELATED TERMS

Technical and Industry related terms

| Term | Description |
|------|-----------------------------|
| GDP | Gross Domestic Product |
| F&B | Food and beverage |
| CAGR | Compound Annual Growth Rate |
| GVA | Gross Value Added |
| FMCG | Fast Moving Consumer Goods |

| | |
|------|---------------------------------------|
| R&D | Research and Development |
| H&W | Health and Wellness |
| FCL | Full Container Load |
| MEIS | Merchandise Exports from India Scheme |
| MT | Metric tonne |
| KW | Kilo watt |

Business Related Terms

| Term | Description |
|-------|--|
| APMC | Agricultural Produce Market Committee |
| SKU | Stock Keeping Units |
| SK | Sanjeev Kapoor |
| KS | KS Narayan |
| SK IP | Intellectual Property rights owned, developed and/or created by SK from time to time whether registered or not |
| QC | Quality Check |
| B2B | Business to Business |
| B2C | Business to Consumer |

ABBREVIATIONS

| Term | Description |
|--|---|
| AS / Accounting Standard | Accounting Standards as issued by the Institute of Chartered Accountants of India |
| A/c | Account |
| AGM | Annual General Meeting |
| ASBA | Applications Supported by Blocked Amount |
| AIF | Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended |
| AY | Assessment Year |
| AOA | Articles of Association |
| Approx | Approximately |
| Lead Manager | Lead Manager to the Offer |
| BG / LC | Bank Guarantee / Letter of Credit |
| BIFR | Board for Industrial and Financial Reconstruction |
| BSE Sensex | Sensex in an index; market indicator of the position of stock that is listed in the BSE |
| Banking Regulation Act | The Banking Regulation Act, 1949 |
| CDSL | Central Depository Services (India) Limited |
| CAGR | Compounded Annual Growth Rate |
| CAN | Confirmation of Allocation Note |
| Category I Alternate Investment Fund / Category I AIF | AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations |
| Category I Foreign Portfolio Investor(s) / Category I FPIs | FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations |
| Category II Alternate Investment Fund / Category II AIF | AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations |
| Category II Foreign Portfolio Investor(s) / Category II FPIs | FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations |
| Category III Alternate Investment Fund / Category III AIF | AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identification Number |
| CSR | Corporate social responsibility |

| Term | Description |
|------------------------------------|---|
| COVID-19 | A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020 |
| Companies Act | Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification |
| Depositories Act | The Depositories Act, 1996, as amended from time to time |
| Depository / Depositories | NSDL and CDSL |
| DIN | Director Identification Number |
| DIPP | Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India |
| DP | Depository Participant |
| DP ID | Depository Participant's Identification Number |
| EBITDA | Earnings Before Interest, Taxes, Depreciation & Amortisation |
| ECS | Electronic Clearing System |
| EPS | Earnings Per Share |
| EGM / EOGM | Extraordinary General Meeting |
| ESOP / Plan / Stock Incentive Plan | Employee Stock Option Plan |
| FIPB | Foreign Investment Promotion Board |
| FY / Fiscal / Financial Year | Period of twelve months ended March 31 of that particular year, unless otherwise stated |
| FEMA | Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under |
| FEMA Regulations | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| FDI | Foreign Direct Investment |
| FIs | Financial Institutions |
| FIIs | Foreign Institutional Investors (as defined under Foreign Exchange Management (Non-debt Instruments) Rules, 2019) registered with SEBI under applicable laws in India |
| FPIs | Foreign Portfolio Investors as defined under the SEBI FPI Regulations |
| FVCI | Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| FV | Face Value |
| GOI / Government | Government of India |
| GDP | Gross Domestic Product |
| GAAP / Indian GAAP | Generally Accepted Accounting Principles in India |
| GST | Goods and Service Tax |
| HNI | High Net Worth Individual |
| HUF | Hindu Undivided Family |
| IBC | The Insolvency and Bankruptcy Code, 2016 |
| ICAI | The Institute of Chartered Accountants of India |
| INR / ₹ / Rupees / Rs. | Indian Rupees, the legal currency of the Republic of India |
| IPO | Initial Public Offer |
| ICSI | The Institute of Company Secretaries of India |
| IFRS | International Financial Reporting Standards |
| i.e. | That is |
| IT Act | Income Tax Act, 1961, as amended from time to time |
| IT Rules | Income Tax Rules, 1962, as amended, except as stated otherwise |
| IRDA | Insurance Regulatory and Development Authority |
| KMP | Key Managerial Personnel |
| MCA | Ministry of Corporate Affairs, Government of India |
| MoF | Ministry of Finance, Government of India |
| Merchant Banker | Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 |
| MOA | Memorandum of Association |

| Term | Description |
|----------------------------------|---|
| NA | Not Applicable |
| NCLT | National Company Law Tribunal |
| Net Worth | The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account |
| NEFT | National Electronic Funds Transfer |
| NECS | National Electronic Clearing System |
| NAV | Net Asset Value |
| NRI / Non Resident Indian | A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| NRE Account | Non-Resident External Account |
| NRO Account | Non-Resident Ordinary Account |
| NSE | National Stock Exchange of India Limited |
| NSDL | National Securities Depository Limited |
| OCB | Overseas Corporate Bodies |
| p.a. | Per Annum |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PBT | Profit Before Tax |
| RBI Act | The Reserve Bank of India Act, 1934 as amended from time to time |
| Reserve Bank of India / RBI | Reserve Bank of India constituted under the RBI Act |
| ROE | Return on Equity |
| RONW | Return on Net Worth |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contracts (Regulation) Act, 1956, as amended from time to time |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended from time to time |
| SCSB | Self Certified Syndicate Banks |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | The Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended from time to time |
| SEBI FII Regulations | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time |
| SEBI Insider Trading Regulations | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time |
| SEBI LODR Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time |
| SEBI SAST Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations, as amended |
| SME | Small and Medium Enterprises |
| STT | Securities Transaction Tax |
| TAN | Tax Deduction Account Number |
| TDS | Tax Deducted at Source |
| TRS | Transaction Registration Slip |
| TIN | Taxpayers Identification Number |

| Term | Description |
|----------------------------|--|
| UPI | Unified Payments Interface as a payment mechanism through National Payments Corporation of India with Application Supported by Block Amount for applications in public issues by retail individual investors through SCSBs |
| VCF / Venture Capital Fund | Foreign Venture Capital Funds as defined under the SEBI AIF Regulations |
| Wilful Defaulter | An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(III) of the SEBI ICDR Regulations |

The words and expressions used but not defined in this Prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Description of Equity Shares and Terms of the Articles of Association”, “Statement of Tax Benefits”, “Industry Overview”, “Regulations and Policies”, “Restated Consolidated Financial Statements”, “Outstanding Litigations and Material Developments” and “Offer Procedure”, will have the meaning ascribed to such terms in these respective sections.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to “India” contained in this Prospectus are to the Republic of India. All references in the Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Proventus Agrocom Limited”, “Proventus Agrocom” and “Proventus” refer to the Issuer ‘Proventus Agrocom Limited’. In this Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Use of Financial Data

Unless stated otherwise, throughout this Prospectus, all figures have been expressed in Rupees and Lacs. Unless stated otherwise, the financial data in the Prospectus is derived from our Restated Consolidated Financial Statements. Certain additional financial information pertaining to our Group Companies are derived from its financial statements. The Restated Consolidated Financial Statements included in this Prospectus are for the Period ended December 31, 2022 and for the Financial Years ended March 31, 2022, March 31, 2021, and March 31, 2020 and have been prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI ICDR Regulations. For further information, please refer to “Restated Consolidated Financial Statements” beginning on page 163 of this Prospectus.

In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Our fiscal year commences on April 1 of every year and ends on March 31st of every next year. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Prospectus are to a calendar year.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly, to what extent, the financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” on page 25, 107 and 237 respectively, of this Prospectus, and elsewhere in this Prospectus have been calculated on the basis of the Company’s Restated Consolidated Financial Statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI ICDR Regulations, as stated in the report of our Peer Review Auditor, set out in section titled “Restated Consolidated Financial Statements” beginning on page 163 of this Prospectus.

For definitions, please refer the Chapter titled “Definitions and Abbreviations” on page 1 of this Prospectus. In the Section titled “Main Provisions of Articles of Association” beginning on page 320 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Prospectus has been obtained from industry sources (websites, data, and reports) as well as derived from the report titled “Industry Report on Healthy Snacks, Nuts, Seeds and berries” dated April 13, 2023 prepared by Wazir Advisors Private Limited (“Industry Report”), which is exclusively prepared for the purpose of the Offer and paid for by our Company. Wazir Advisors Private Limited was appointed on February 07, 2023. The Industry Report and its excerpts as used for this Prospectus, has been exclusively commissioned and paid for by our Company specifically in connection with the Offer. The Industry Report is available on the website of our Company at

www.proventusagro.com. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Prospectus is reliable, it has not been independently verified by us or the Lead Manager or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source.

There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources. Further, the extent to which the industry and market data presented in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Currency and Units of Financial Presentation

All references to:

- i. "Rupees", "Rs." Or "INR" or "₹" are to Indian Rupees, the official currency of the Republic of India.
- ii. All references to "US\$" or "US Dollars" or "USD", if any, are to United States Dollars, the official currency of the United States of America.

Except otherwise specified, our Company has presented certain numerical information in this Prospectus in "lakhs". One lakh represents 1,00,000.

Figures sourced from third-party industry sources may be expressed in denominations other than lakhs or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Time

All references to time in this Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Prospectus are to a calendar year.

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

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain “forward-looking statements”. All statements in this Prospectus that are not statements of historical fact are ‘forward-looking statements’.

These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “likely to”, “objective”, “plan”, “propose”, “project”, “seek”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industry in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industry in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- If we fail to identify and effectively respond to changing consumer preferences and spending patterns or changing dietary habits in a timely manner, the demand for our products could decrease, causing our business, results of operations, financial condition and cash flows to be adversely affected.
- Our brands and reputation are critical to the success of our business and may be adversely affected due to various reasons, which could have an adverse effect on our business, financial condition, cash flows and results of operations.
- The launch of new brands or products that prove to be unsuccessful could affect our growth plans which could adversely affect our business, financial condition, cash flows and results of operations.
- Our dependence on suppliers for all our products subjects us to risks, which, if realized, could adversely affect our business, results of operations, cash flows and financial condition.
- We may be subject to unfair competitive or trade practices, which may reduce our sales and harm our brands, adversely affecting our business, financial condition, cash flows and results of operations.
- Product liability claims and product recalls could harm our reputation, business, financial condition, cash flows and results of operations.
- If we are unable to identify consumer demand accurately and maintain an optimal level of inventory, our business, results of operations, cash flows and financial condition may be adversely affected.

For discussion regarding factors that could cause actual results to differ from expectations, see “Risk Factors”, “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 25, 97, 107, and 237, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to 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 to be a guarantee of our future performance.

Forward-looking statements reflect our current views as of the date of this Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are

based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, KMPs, the Selling Shareholders, the Market Maker nor any of their respective affiliates 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 requirements of SEBI, our Company shall ensure that investors are informed of material developments from the date of the Prospectus in relation to the statements and undertakings made by the Company and each of the Selling Shareholders, severally and not jointly, in relation to themselves as a Selling Shareholder and their respective portion of the Offered Shares in this Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. In this regard, each of the Selling Shareholders shall, severally and not jointly, ensure that the Company and Lead Manager are informed of material developments in relation to the statements and undertakings specifically confirmed or undertaken by such Selling Shareholder in relation to themselves as a Selling Shareholder and their respective portion of the Offered Shares in the Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. Only statements and undertakings which are specifically confirmed or undertaken by each Selling Shareholder in relation to itself as a Selling Shareholder and its portion of the Offered Shares, as the case may be, in this Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholder.

SUMMARY OF THE OFFER DOCUMENT

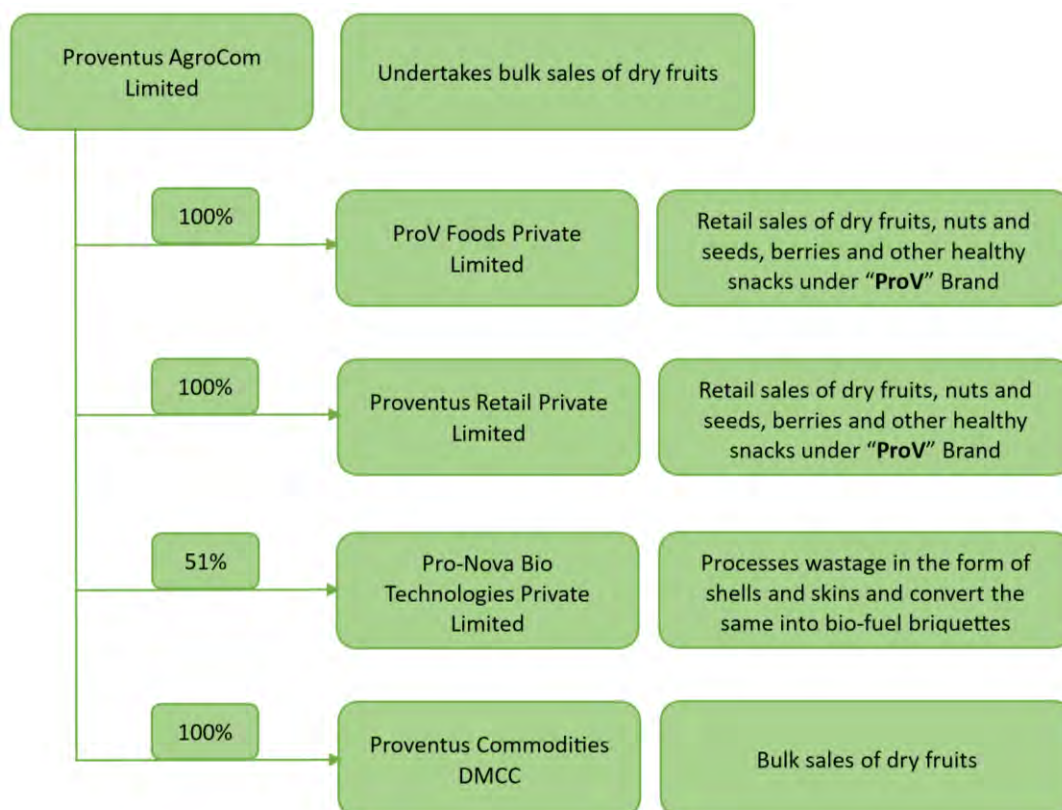
The following is a general summary of the terms of the Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Prospectus or all details relevant for prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Prospectus, including in “Risk Factors”, “The Offer”, “Capital Structure”, “Objects of the Offer”, “Industry Overview”, “Our Business”, “Our Promoters and Promoter Group”, “Restated Consolidated Financial Statements”, “Offer Procedure”, “Outstanding Litigation and Material Developments” and “Main Provisions of the Articles of Association” beginning on pages 25, 53, 68, 78, 97, 107, 155, 163, 295, 257 and 320, respectively.

Summary of the business of our Company

We are an integrated health food brand with our presence in entire range of dry fruits, nuts, seeds and berries and healthy snacking products across the value chain. Our approach in the space focuses on diversifying across the baskets and intensifying our presence across the value chain; in the end, being a ‘one-stop shop’ for our consumers. The motto of Proventus is to create expertise in healthy food products and build the revenue stream by moving across the value chain from origination to distribution and creating an integrated business model - from “farm to homes”. The fundamental cornerstone of our approach is to capture the demand and supply stream by developing a strong base of sourcing and distribution.

In 2017, we launched the brand “ProV” and today we have 100+ SKUs offering through our subsidiaries, ProV Foods and Proventus Retail, that include the premium quality of dry fruits including almonds, cashews, walnuts, raisins and pistachios, sourced from the orchards across India and abroad. We believe that each of the ProV product goes through stringent quality controls ensuring that our product reaches our customers with a promise of the best quality natural product. We aim to inspire healthier choices for nutritious living and sustained wellbeing by facilitating our customers with nature’s most nutritious snacks. With the strength of our promoter background and experience in the agro produce industry, efficient backend channels and distribution chain, ProV Foods, aims to target the growing lifestyle conscious buyers to expand its presence.

Our business structure is as under:



Summary of the industry in which our Company operates

INDIAN SNACK INDUSTRY

A snack is everything we eat or chew either between main meals or to replace those meals. Snacking in between the meals has always been traditional in Indian culture. Further the Covid-19 forced lockdown has increased this habit of snacking multi-fold and is driving the growth of this industry.

Indian Snack Industry Statistics

| | | |
|--|---|--|
| 64% consumers say they prefer to eat many small meals throughout the day, as opposed to a few large ones | 71% consumers around the world snack at least twice a day | 85% consumers take special note of the brand, packing, and nutritional value while purchasing RTE snacks |
|--|---|--|

The Indian snack food market is estimated to be US\$ 6.6 billion and is growing at a CAGR of 6.3%.

Consumers are increasingly replacing meals with snacks and reporting higher likelihood to eat a snack across all three standard mealtimes. With a significant increase in main meal skipping, it is important to note that 40% of consumers “skipped at least one main meal” in 2021 vs. 30% in 2013, with breakfast being the most skipped. Over half (55%) report their households make a meal out of snacks at least weekly. Members of Gen Z (those aged 16 to 24 years) along with slightly older millennials (25- to 34-year-olds), and specifically women within those demographics drive snacking growth.

The market is characterized by a large number of unorganized players across the product segments. However, with time, large FMCG companies understood the potential of the snacks market and entered it in a big way, using their existing supply chain to their advantage. These companies are typically characterized by a large product portfolio across multiple product categories, aggressive advertisements and promotions, active R&D, etc.

Our Promoters

Durga Prasad Jhavar, Deepak Kumar Agrawal, Shalin Sanjiv Khanna and Shree JMD Investment Advisors LLP are the Promoters of our Company. For further details, see “Our Promoters and Promoter Group” beginning on page 155.

Offer size

The following table summarizes the details of the Offer size. For further details, see ‘The Offer’ and ‘Offer Structure’ on pages 52 and 292, respectively:

| | |
|-------------------------------|--|
| The Offer consists of | |
| Fresh Issue | Upto 6,71,853 Equity Shares aggregating up to ₹ 5,179.99 Lakhs |
| Offer for Sale | Upto 2,30,147 Equity Shares aggregating up to ₹ 1,774.43 Lakhs |
| Of which | |
| Reserved for the Market Maker | Upto 45,100 Equity Shares aggregating up to ₹ 347.72 Lakhs |
| Net Offer to the Public | Upto 8,56,900 Equity Shares aggregating up to ₹ 6,606.70 Lakhs |

The Offer and Net Offer shall constitute 26.32% and 25.00% of the post Offer paid-up equity share capital of our Company.

Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

| Objects | Estimated Amount (in ₹ Lakhs) |
|--|----------------------------------|
| Funding working capital requirements of our Company | 990.77 |
| Funding working capital requirements of our material subsidiary namely, Prov Foods Private Limited | 2,986.29 |
| General Corporate Purposes * | 1,077.68 |
| Total | 5,054.74 |

* To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Gross Proceeds from the Fresh Issue.

For further details, see “Objects of the Offer” beginning on page 78.

Aggregate pre-Offer Shareholding of our Promoters, members of our Promoter Group, and the Selling Shareholders

(a) Promoter and Promoter Group

| Sr. No. | Name of shareholder | No. of Equity Shares as on the date of the Prospectus | % of total pre-Offer paid up equity share capital on a fully diluted basis* |
|-----------------------|-------------------------------------|---|---|
| Promoters | | | |
| 1 | Durga Prasad Jhawar | 5,000 | 0.18 |
| 2 | Deepak Kumar Agrawal | 2,08,375 | 7.56 |
| 3 | Shalin Sanjiv Khanna * | 1,47,189 | 5.34 |
| 4 | Shree JMD Investment Advisors LLP * | 21,72,822 | 78.85 |
| Promoter Group | | | |
| 1 | Sanjiv Jagdish Khanna * | 8,000 | 0.29 |
| 2 | Ritu Tarun Agrawal | 2,000 | 0.07 |

* Also a Promoter Selling Shareholder

(b) Other Selling Shareholders

| Sr. No. | Name of shareholder | No. of Equity Shares as on the date of the Prospectus | % of total pre-Offer paid up equity share capital on a fully diluted basis* |
|---------|---------------------------|---|---|
| 1 | Guruprasad Rao | 95,001 | 3.45 |
| 2 | Manish Bhagchand Jain HUF | 20,001 | 0.73 |

For further details, see ‘Capital Structure’ beginning on page 68.

Summary of Restated Consolidated Financial Statements

(₹ in lakhs unless otherwise stated)

| Particulars | As at and for the nine months period ended December 31, 2022 | As at and for the Financial Year ended March 31, 2022 | As at and for the Financial Year ended March 31, 2021 | As at and for the Financial Year ended March 31, 2020 |
|--|--|---|---|---|
| Equity Share Capital | 248.58 | 248.58 | 248.58 | 248.58 |
| Net Worth | 6,167.31 | 5,966.75 | 5,844.50 | 5,663.58 |
| Revenue from operations | 31,798.26 | 40,326.68 | 30,087.50 | 89,620.14 |
| Restated profit / (loss) after tax | 189.82 | 114.12 | 187.90 | (2,190.46) |
| Basic earnings / (loss) per Equity Share with a nominal value of ₹ 10 (in ₹) * | 6.89 | 4.14 | 6.82 | (79.49) |
| Diluted earnings / (loss) per Equity Share with a nominal value of ₹ 10 (in ₹) * | 6.89 | 4.14 | 6.82 | (79.49) |
| Restated net asset value per share (in ₹) | 223.80 | 216.52 | 212.08 | 205.52 |
| Long term borrowings (A) | 859.97 | 1,121.50 | 720.85 | 750.21 |
| Short term borrowings (B) | 2,201.16 | 2,322.55 | 2,219.87 | 978.33 |
| Total borrowings (A+B) | 3,061.13 | 3,444.05 | 2,940.72 | 1,728.54 |

* Not annualised for the nine months period ended December 31, 2022

For further details, see “Other Financial Information” on page 234.

Qualifications of the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Statements

There are no qualifications of Statutory Auditors which has not been given effect to in the Restated Consolidated Financial Statements.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, Directors, Promoters, and Subsidiaries as on the date of this Prospectus, is provided below:

| Nature of Cases | Number of Cases | Total Amount Involved (in `) |
|---|-----------------|------------------------------|
| Proceedings against our Company | | |
| Civil | Nil | Nil |
| Outstanding actions by Regulatory and Statutory Authorities | 1 | Not Ascertainable |
| Criminal | Nil | Nil |
| Tax | Nil | Nil |
| Disciplinary actions by the SEBI or Stock Exchanges | Nil | Nil |
| Outstanding cases before the Consumer Forum | Nil | Nil |
| Proceedings by our Company | | |
| Civil | Nil | Nil |
| Criminal | Nil | Nil |
| Proceedings against our Director | | |
| Civil | Nil | Nil |
| Outstanding actions by Regulatory and Statutory Authorities | 1 | Not Ascertainable |
| Criminal | Nil | Nil |
| Tax | Nil | Nil |
| Disciplinary actions by the SEBI or Stock Exchanges | Nil | Nil |
| Proceedings by our Director | | |
| Civil | Nil | Nil |
| Criminal | 1 | 2,50,000 |
| Proceedings against our Promoter | | |
| Civil | Nil | Nil |
| Outstanding actions by Regulatory and Statutory Authorities | 1 | Not Ascertainable |
| Criminal | Nil | Nil |
| Tax | Nil | Nil |
| Disciplinary actions by the SEBI or Stock Exchanges | Nil | Nil |
| Proceedings by our Promoter | | |
| Civil | Nil | Nil |
| Criminal | Nil | Nil |
| Proceedings against our Subsidiaries | | |
| Civil | Nil | Nil |
| Outstanding actions by Regulatory and Statutory Authorities | Nil | Nil |
| Criminal | Nil | Nil |
| Tax | Nil | Nil |
| Disciplinary actions by the SEBI or Stock Exchanges | Nil | Nil |
| Outstanding cases before the Consumer Forum | Nil | Nil |
| Proceedings by our Subsidiaries | | |
| Civil | Nil | Nil |
| Criminal | Nil | Nil |

For further details of the outstanding litigation proceedings involving our Company, Directors, Promoters, and Subsidiaries, see “Outstanding Litigation and Material Developments” on page 257.

Risk Factors

Specific attention of the investors is invited to the section “Risk Factors” on page 25.

Summary of contingent liabilities

There are no contingent liabilities as per the Restated Consolidated Financial Statements.

Summary of Related Party Transactions

A summary of related party transactions entered into by our Company with related parties as at and for the Financial Years ended March 31, 2022, March 31, 2021 and March 31, 2020 and for the nine months period ended December 31, 2022, derived from our Restated Consolidated Financial Statements are as follows:

(₹ in lakhs)

| Sr. No. | Nature of Transaction | As at 31-Dec-22 | As at | | |
|---------|---|-----------------|-----------|-----------|-----------|
| | | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| 1 | Remuneration | | | | |
| | D. P. Jhavar | 55.04 | 65.66 | 59.51 | 81.64 |
| | Shalin Khanna | 48.36 | 42.89 | 39.91 | 51.82 |
| | Deepak Agrawal | 50.01 | 45.87 | 42.28 | 55.99 |
| 2 | Loans Repaid | | | | |
| | D. P. Jhavar | 260.00 | 190.50 | 15.00 | 34.00 |
| 3 | Loans Taken | | | | |
| | D. P. Jhavar | - | 213.00 | - | 273.00 |
| | Chetana Toshniwal | - | - | 1.25 | - |
| | Lalita Bhootra | - | - | 2.50 | - |
| | Nilesh Toshniwal | - | - | 4.85 | - |
| | Pinky Maheshwari | - | - | 3.63 | - |
| 4 | Interest Paid | | | | |
| | Chetna Toshniwal | 0.10 | - | - | - |
| | Lalita Bhootra | 0.21 | - | - | - |
| | Nilesh Toshniwal | 0.40 | - | - | - |
| | Pinky Maheshwari | 0.30 | - | - | - |
| 5 | Sales | | | | |
| | D S Enterprises | 761.41 | 1,133.38 | 1,293.05 | 845.52 |
| | Binod Agrawal | 4.44 | 13.75 | 14.17 | 0.60 |
| | Anupama Khanna | 5.40 | 9.67 | 7.79 | 0.02 |
| 6 | Purchases | | | | |
| | D S Enterprises | 0.19 | 7.15 | 12.54 | 4.29 |
| 7 | Commission Paid | | | | |
| | D S Enterprises | 2.04 | 1.20 | - | - |
| | Binod Agrawal | - | 0.27 | - | - |
| 8 | Salary Paid | | | | |
| | Pinky Maheshwari | 4.50 | 1.50 | - | - |
| | Rakhi Toshniwal | 4.20 | 1.50 | - | - |
| | Nilesh Toshniwal | 0.30 | - | - | - |
| 9 | Rent # | | | | |
| | Prov Foods Private Limited | 10.50 | 21.00 | 17.50 | - |
| 10 | Reimbursement of Expenses # | | | | |
| | Prov Foods Private Limited | 2.46 | 11.47 | 4.98 | - |
| 11 | Sales # | | | | |
| | Proventus Retail Private Limited | 74.61 | 1,041.56 | 4,909.18 | - |
| | Prov Foods Private Limited | 12585.06 | 13251.60 | 1,713.88 | - |
| | Prov Nova Bio Technologies Private Limited | 31.24 | 32.99 | 5.05 | - |
| 12 | Purchases # | | | | |
| | Proventus Retail Private Limited | 5.86 | 474.83 | 87.13 | - |
| | Prov Foods Private Limited | 453.20 | 499.87 | 13.23 | - |
| 13 | Business and Administrative Support Service Income # | | | | |
| | Prov Foods Private Limited # | 135.00 | - | - | - |

Note- # these transaction / balances are eliminated on consolidation.

For further information on our related party transactions, see “Restated Consolidated Financial Statements - Related Party Transactions” on page 256 of the Prospectus.

Issuances of Equity Shares made in the last one year for consideration other than cash (excluding bonus issuance)

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Prospectus.

Financing Arrangements

There have been no financing arrangements whereby the Promoters, members of the Promoter Group, our Directors, and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during a period of six months immediately preceding the date of filing of this Prospectus.

Weighted average price at which Equity Shares were acquired by the Promoters and the Selling Shareholders in the one year preceding the date of this Prospectus

Our Promoters, members of the Promoter Group and the Selling Shareholders have not acquired any Equity Shares in the last one year preceding the date of this Prospectus:

Details of price at which specified securities were acquired by our Promoters, Promoter Group, Selling Shareholders in the last three years preceding the date of this Prospectus

Except as stated below, there have been no specified securities that were acquired in the last three years preceding the date of this Prospectus, by our Promoters, Promoter Group, Selling Shareholders. The details of the price at which these acquisitions were undertaken are stated below:

| Name of shareholder | Date of acquisition of Equity Shares | No. of Equity Shares acquired | Face value of equity share (₹) | Acquisition price per Equity Share [#] (in ₹) |
|-------------------------------------|--------------------------------------|-------------------------------|--------------------------------|--|
| Promoter | | | | |
| Deepak Kumar Agrawal | April 30, 2022 | 2,08,375 | 10 | 206.00 |
| Promoter Selling Shareholder | | | | |
| Shalin Sanjiv Khanna | April 30, 2022 | 1,42,191 | 10 | 206.00 |

As certified by M/s N B T and Co, Chartered Accountants vide their certificate dated April 17, 2023 read with certificate dated March 24, 2023. However, the equity shares disposed off has not been considered while computing weighted average cost of acquisition.

Average cost of acquisition for our Promoters and the Selling Shareholders

The average cost of acquisition per Equity Share acquired by our Promoters and the Selling Shareholders, as on the date of this Prospectus is:

| Name of shareholder | Number of Equity Shares held | Average cost of acquisition per Equity Share [#] (in ₹) |
|-------------------------------------|------------------------------|--|
| Promoter | | |
| Durga Prasad Jhawar | 5,000 | 10.00 |
| Deepak Kumar Agrawal | 2,08,375 | 206.00 |
| Shalin Sanjiv Khanna * | 1,47,189 | 199.34 |
| Shree JMD Investment Advisors LLP * | 21,72,822 | 208.14 |
| Promoter Selling Shareholder | | |
| Sanjiv Jagdish Khanna | 8,000 | 240.00 |
| Other Selling Shareholder | | |
| Guruprasad Rao | 95,001 | 240.00 |
| Manish Bhagchand Jain HUF | 20,001 | 240.00 |

** Also a Promoter Selling Shareholder*

As certified by M/s N B T and Co, Chartered Accountants vide their certificate dated April 17, 2023 read with certificate dated March 24, 2023. However, the equity shares disposed off has not been considered while computing weighted average cost of acquisition.

Split or Consolidation of equity shares in the last one year

Our Company has not undertaken a split or consolidation of the equity shares in the one year preceding the date of this Prospectus.

Exemption from complying with any provisions of SEBI ICDR Regulations, if any, granted by SEBI

Our Company has not made any application under Regulation 300(2) of the SEBI ICDR Regulations for seeking exemption from strict compliance with any provisions of securities laws, as on the date of this Prospectus.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Prospectus, including the risks and uncertainties described below before making an investment in the Equity Shares.

We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment.

To obtain a more detailed understanding of our business and operations, see this section in conjunction with the sections titled “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 97, 107 and 237, respectively, as well as other financial and statistical information contained in this Prospectus. Unless otherwise indicated or unless the context requires otherwise, our financial information used in this section are derived from our Restated Consolidated Financial Statements. In making an investment decision, prospective investors must rely on their own examination of our business and the terms of the Offer, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to them of an investment in our Equity Shares.

This Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below. For details, see “Forward-Looking Statements” beginning on page 16.

Unless otherwise indicated or the context otherwise requires, in this section, references to “we”, “us” and “our” are to Proventus Agrocom Limited together with its subsidiaries on a consolidated basis.

INTERNAL RISK FACTORS

- 1. Any actual or alleged contamination or deterioration of our products could result in legal liability or damage our reputation. Further, food safety and food-borne illness incidents or other safety concerns may materially and adversely affect our business by exposing us to lawsuits, product recalls or regulatory enforcement actions, increasing our operating costs and reducing demand for our product offerings. Further, the loss of certain independent certification and accreditation of our products and the practices that we have adopted could harm our business.***

We are subject to various contamination-related risks associated with the dry fruits and healthy snacks industry, such as product tampering; short shelf life; improper storage of products and raw materials; adulteration of products with any substance unfit for human consumption; labelling and packaging errors; inferior quality raw materials; non-compliance with food safety and quality control standards; cross-contamination of products during manufacturing; as well as contamination of products during manufacturing or transportation.

Our products may contain undetected quality issues, especially during the manufacturing process or in process of developing new products due to various reasons including but not limited to inferior or contaminated raw material. While we believe that we have implemented stringent quality control procedures at our own and contract manufacturing facilities, including inspection of raw materials procured and monitoring of the processing and packaging process, there can be no assurance that our quality control procedures at our own or contract manufacturing facilities will be adequate or will not fail, or that the quality tests and inspections conducted by us will be accurate at all times.

Any actual or alleged contamination or deterioration of our products, whether deliberate or accidental, could result in legal liability, damage to our reputation and may adversely affect our business prospects and

consequently our financial performance. The risk of contamination or deterioration exists at each stage of the processing cycle, including during the storage and delivery of raw materials, packaging, storage and shelving of our products by our indirect distributors and end retailers until final consumption by consumers. While we follow stringent quality control processes and quality standards at each stage of the processing cycle, there can be no assurance that our products will not be contaminated or suffer deterioration. We also employ third-party transportation providers to deliver our products to our various indirect distributors. Further, there can be no assurance that contamination of our raw materials or products will not occur during the transportation, processing, distribution and sales processes due to reasons unknown to us or beyond our control. If our products or raw materials are found to be spoilt, contaminated, 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, 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 erstwhile Prevention of Food Adulteration Act, 1954 (“**PFA Act**”) and Food Safety and Standards Act, 2006 (“**FSS Act**”) along with relevant rules and regulations. We cannot assure you that we will not be subject to any legal proceedings under the FSS Act. We may be also subject to legal proceedings under Export (Quality Control and Inspection) Act, 1963, Consumer Protection Act, 2019 and the rules framed thereunder.

The occurrence of food-borne illnesses or other food safety incidents could also adversely affect the price and availability of affected ingredients and raw materials, resulting in higher costs, disruptions in supply and a reduction in our sales. Further, any instances of food contamination or regulatory noncompliance, whether or not caused by our actions, could compel us to conduct a recall in accordance with the applicable regulations, including the FSS Act.

Further, contamination of any of our products could also subject us to product liability claims, adverse publicity and government scrutiny, investigation or intervention, product return, resulting in increased costs and any of these events could have a material and adverse impact on our reputation, business, financial condition, cash flows, results of operations and prospects. Although historically we have not experienced any significant product liability claims or similar allegations against us or our products, there can be no assurance that there will not be any such claims or allegations in the future which could materially and adversely affect our business and financial performance or lead to civil and criminal liability or other penalties. Any negative claim against us, even if meritless or unsuccessful, could divert our management’s attention and other resources from other business concerns, which may adversely affect our business and results of operations. Any such event may have a material adverse effect on our reputation, business, financial condition, cash flows, results of operations and prospects.

Further, we rely on independent certification of our products and must comply with the requirements of independent organizations or certification authorities. Our processing plant is compliant with the requirement of FSSC 22000. We could lose the certifications and accreditations for certain of our products if we are not able to adhere to the quality standards and specifications required under such certifications and accreditations. The loss of any independent certification and manufacturing practices may restrict our ability to sell our products, which could have a material adverse effect on our reputation, business, financial condition and results of operations.

2. *Inadequate or interrupted supply and price fluctuation of our raw materials and packaging materials could adversely affect our business, results of operations, cash flows, profitability and financial condition.*

Cost of our products is dependent on our ability to source raw materials and packaging materials at acceptable prices and maintain a stable and sufficient supply of our major raw materials. The raw materials we use are subject to price volatility and unavailability caused by external conditions, such as commodity price fluctuations within India and globally, weather conditions, supply and demand dynamics, logistics and processing costs, our bargaining power with the suppliers, inflation and governmental regulations and policies. We have, in the past, experienced disruption in the supply of certain of our raw ingredients and as such, commodity price increases may result in unexpected increases in prices of our raw ingredients and packaging material costs. The change in global prices makes a significant impact on the prices of these commodities from our raw materials source, which we may not be able to pass on to the consumers and which would correspondingly affect our various margins and financial condition. If we are unable to manage these costs or to increase the prices of our products to offset these increased costs, our margins, cash flows and overall profitability may be adversely affected.

Our business is also dependent on suppliers of our raw materials. We do not enter into long term supply arrangements for our raw materials, *i.e.*, arrangements which are valid for more than 12 (twelve) months. If any of the key suppliers of our raw materials fail for any reason to deliver raw materials in a timely manner or at all, it may affect our ability to manage our inventory levels, processing and packing of relevant products, and ability to supply such products to end retailers. This may also result in an increase in our procurement costs which we may or may not be able to pass on to our customers. Further, there can be no assurance that we will be able to effectively manage relationships with our existing or new suppliers or that we will be able to enter into arrangements with new suppliers at attractive terms or at all. If we fail to successfully leverage our existing and new relationships with suppliers, our business and financial performance could be adversely affected.

3. *Our historical performance is not indicative of our future growth or financial results and we may not be able to sustain our historical growth rates. Our inability to effectively manage our growth or implement our growth strategies may have a material adverse effect on our business prospects and future financial performance.*

We have experienced growth in our financial performance over the past three years. Our sale of retail packaging (“ProV” brand) increased from ₹ 3,505.01 lakhs in Fiscal 2020 to ₹ 7,676.15 lakhs in Fiscal 2022, at a CAGR of 47.99% and was ₹ 15,207.75 lakhs in the nine months ended December 31, 2022. Our EBITDA increased from ₹ (2,167.47) lakhs in Fiscal 2020 to ₹ 349.91 lakhs in Fiscal 2022 and was ₹ 400.33 lakhs in the nine months ended December 31, 2022. Our EBITDA margin was 0.82%, 1.16%, 0.35% and negative during the nine months period ended December 31, 2022 and in Fiscal 2022, 2021 and 2020, respectively. As a result of significant expansion, our business and organization have become, and are expected to continue to become, considerably more complex. This requires us to adapt continuously to meet the needs of our growing business and could expose us to a number of factors that may negatively impact our business, financial condition and results of operations.

While we have built governance frameworks and operational management systems to manage our business operations and to support our growth, in the future, in particular, our success will depend on our ability to adapt continuously to meet the needs of our growing business, in particular, to:

- maintain and develop a consistent and strong brand identity and further develop our brand strength across a growing organization and an increasing number of markets, especially in light of our expansion and new products;
- ensure safe movement and storage of inventory;
- source, at appropriate prices, the amount of raw materials required for increased business operations;
- attract and retain experienced, high quality management and other key employees;
- identify potential new markets and suitable locations for our processing facilities;
- respond to increasing competition from competitors in the existing markets we cover as well as new markets we may enter in the future; and
- respond to regional preferences in healthy snacking segment and changing customer demands.

We may not be able to adequately respond to any of the foregoing factors or otherwise manage our significant growth which could negatively impact our business, financial condition and results of operations.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategies include implementing distinctive growth strategies for our core markets, focus markets and other markets, establishing strategically located new processing facilities to pursue growth in our focus and other markets, usage of advanced technology to further optimise our operations, and further strengthening our brand. For further information, see “*Our Business - Key Strategies*” on page 121.

Our ability to expand may be impacted by various factors, including controlling our operating or investment costs, effectively managing our internal supply chain and manufacturing processes, and other business and competitive uncertainties and factors beyond our control such as a shift in customer preferences or a slowdown in the global economic and market conditions, resulting in a decline for our products, infrastructure and logistical challenges, our lack of familiarity with the local culture and tastes, legal regulations and economic conditions in new markets, language barriers, and the lack of brand recognition and reputation. In addition, we could face challenges from global competitors and incumbent local organised and unorganised players in our industry, who may have stronger and more established operations and may have advantages

over us in terms of product diversity, pricing and local knowledge, among other factors. However, there can be no assurance that our future growth strategy will be successful or that we will be able to continue to expand further, or at the same rate.

4. *Any significant interruption in continuing operations of our production or cold storage facilities could have a material adverse effect on our business, results of operations, cash flows and financial condition.*

As of the date of this Prospectus, we have one manufacturing facility situated at A-793, TTC Industrial Area, Khairane, Navi Mumbai and a cold storage facility located at Agro Fresh Cold Storage, C-256, MIDC, Pawne, Navi Mumbai on lease basis under ProV Foods. The previous manufacturing facility situated at Gen 71/2, TTC Industrial Area, Mahape, Navi Mumbai has been vacated and no manufacturing activity is being carried over there. These facilities are subject to the normal risks of industrial production, including equipment breakdowns, labour stoppages, natural disasters, directives from government agencies, water shortages and power interruptions. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair the malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace the same. Our raw materials are perishable products and consequently, any malfunction and break down of the cold storage facility may affect the stored raw materials, which have a limited shelf life, and this, along with any significant impact on other raw materials could result in slow down or cessation of our operations which may adversely affect our business and prospects. Although we have not experienced any significant disruptions at our manufacturing facilities in the past, we cannot assure you that there will not be any significant disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down of our operations or the under-utilization of our manufacturing and cold storage facilities, which in turn may have an adverse effect on our business, results of operations, cash flows and financial condition.

5. *We operate in an environmentally sensitive industry and are subject to disruptions due to unpredictable or unseasonal weather impacting the geographies from where we procure our raw material. Consequently, extreme climatic changes or natural calamities impacting such geographies, may have an adverse effect on our business, results of operations, cash flows and financial condition.*

Dry fruits are agri produce and therefore their cultivation is dependent on sensitive weather conditions, including water, rainfall, sunlight, etc. Changes in the weather due to severe, unpredictable or unseasonal changes and abnormalities like draught, unpredictable rainfall or storm may impact the farming of dry fruits, its quality or taste and also impact the availability and price of such agri produce. Such abnormalities may have an adverse impact on our operations across our value chain including but not limited to the procurement operations and processing activities. We may be subjected to decreased availability of dry fruits, nuts, seeds and berries which are the primary raw material for our business operations. Such decreased availability of raw material in turn may increase our acquisition cost from similar or alternate markets and may result in higher cost of operations with material adverse effect on our business, results of operations, cash flows and financial conditions.

Further, while we forecast the demand for our products and accordingly plan our procurement volumes for import operations, any error in our forecast could result in surplus stock, which may not be sold in a timely manner. The raw material procured has a specific shelf life and if not sold prior to expiry, may lead to losses or if consumed after expiry, may lead to health hazards. We cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations, future cash flows and financial condition.

6. *Our business is subject to changes and the demand for our products may decrease due to change in consumer taste, dietary habits, preferences, perceptions and spending patterns, which could have a material adverse effect on our business, results of operations, and financial condition.*

Our business depends substantially on factors such as consumer preferences and tastes, consumer income, consumer perceptions of, and confidence in, our product safety and quality, and consumer awareness of health issues, all of which affect consumer spending patterns. Our products focus small retail packaging and recently have also introduced low price point segment with mid meal snack concept. A decline in the demand for our products or non acceptability of the newly introduced product segments could occur as a result of a change in any of the factors described above at any time, and our future success will depend partly on our ability to

anticipate, identify or adapt to such changes and to timely implement new advertising and promotion strategies that can attract consumers to our products.

Our competitive position depends on our continued ability to offer products that have a strong appeal to consumers. If consumer preferences change due to shifts in consumer demographics, national, regional or local economic conditions, consumer tastes, dietary habits, trends in food sourcing or food preparation or changing levels of customer acceptance of our brand, and we are not able to adapt our products or customer offering to account for these changes, our consumers may begin to seek alternative options, which would adversely affect our financial results. We cannot assure you that we will be able to adapt our product portfolio to changes in food trends or shifts in consumer preferences and tastes. Customers may turn to our competitors offering healthier convenience food options. We may not be able to introduce new products that are in faster-growing and more profitable categories or reduce our production of products in categories experiencing consumption declines. Additionally, trends and shifts in consumer preferences and tastes may apply downward pressure on sales and pricing or lead to increased levels of selling and promotional expenses. If we are unable to adapt our products to successfully meet changes in consumer tastes and trends, our business and financial condition may be materially and adversely affected. Our success in responding to consumer demands depends in part on our ability to anticipate consumer preferences and introduce new products to address these preferences in a timely fashion. Any failure to successfully anticipate and address changing customer preferences could have a material adverse effect on our business, results of operations and financial condition.

7. *We may not be able to derive the desired benefits from our product development efforts or launch of new brands.*

We currently sell our retail products under a single brand, “ProV” through our subsidiaries, ProV Foods and Proventus Retail, wherein we sell a variety of products and have more than 100 SKUs across various price ranges. Our competitiveness is dependent on our ability to develop new products and more efficient processing and packing capabilities. We place significant emphasis on product development, in particular, to improve the quality of our products and expand our new product offerings or introduce new brands, which we believe are crucial for our future growth and prospects.

Further, there can be no assurance that our newly developed products will achieve commercial success. Even if such products can be successfully commercialised, there is no guarantee that they will be accepted widely by the market. In addition, we cannot assure you that our existing or potential competitors will not develop products which are similar or superior to our products. It is often difficult to project the time frame for developing new products and the duration of market demand for these products, there is a substantial risk that we may have to abandon a potential product that is no longer commercially viable, even after we have invested significant resources in the research and development of such product.

8. *We may incur additional cost on marketing and advertising campaigns for increasing the brand awareness of our products and such marketing and advertising campaigns may not be effective compared to our competitors’ advertising and promotional programs which could adversely affect our competitive position.*

We currently plan to make sustained investment in social media and mass media channels, such as regular advertisements / commercials and big ticket and high impact media properties, to promote our products, as increasing the awareness of the ProV and related brands of our Company is an important part of our strategy to expand our business into new regions and locations in India. However, our marketing and advertising campaigns may not be effective to the extent planned or at all and we may, therefore, fail to attract new customers or retain existing customers. In particular, an important part of our business strategy is to position our brand for millennials through our marketing and advertising campaigns, both on television / print media and social media. In order to achieve the same, we need to continuously innovate and develop our mass media and social media strategies in order to maintain brand appeal with millennials and our other customers. In addition, we may fail to penetrate new target markets if our marketing and advertising programs are unsuccessful or not appropriately tailored to appeal to the target market or if our competitors increase their spending on advertising and promotion or their marketing and advertising campaigns is effective than ours. If our marketing and advertising campaigns are not as effective as our competitors, our ability to increase our brand awareness and our competitive position could be adversely affected, which would have a material adverse effect on our business, results of operations and financial condition. In addition, if we increase our

investment in marketing and advertising to remain competitive, our profitability could be adversely affected, which would have a material adverse effect on our financial condition.

We currently plan to make sustained investment in social media and mass media channels, such as regular advertisements / commercials and big ticket and high impact media properties, to promote our products, as increasing the awareness of the ProV and related brands of our Company is an important part of our strategy to expand our business into new regions and locations in India. However, our marketing and advertising campaigns may not be effective to the extent planned or at all and we may, therefore, fail to attract new customers and retain existing customers. In particular, an important part of our business strategy is to position our brand for millennials through our marketing and advertising campaigns, both on television / print media and social media and in the packaging of our products. In order to do this, we need to continuously innovate and develop our mass media and social media strategies in order to maintain brand appeal with millennials and our other customers. In addition, we may fail to penetrate new target markets if our marketing and advertising programs are unsuccessful or not appropriately tailored to appeal to the target market or our competitors may increase spending on advertising and promotion or their marketing and advertising campaigns may be more effective than ours. As a result of any of these factors, we may have to make additional investment in marketing and advertising or lose market share. If our marketing and advertising campaigns are not as effective as our competitors, our ability to increase our brand awareness and our competitive position could be adversely affected, which would have a material adverse effect on our business, results of operations and financial condition. In addition, if we have to increase our investment in marketing and advertising to remain competitive, our profitability could be adversely affected, which would have a material adverse effect on our business, results of operations and financial condition.

9. *Reliance on celebrities and social media influencers as part of our marketing strategy may adversely affect our business and demand for our services. Further, our online marketing listings or reviews may constitute internet advertisement, which subjects us to laws, rules and regulations applicable to advertising.*

Our marketing strategies include engaging influencers, entering into celebrity endorsement agreements and maintaining a presence on social media platforms on whom we rely upon for our marketing and endorsement. For further details, see “*Our Business*” on page 107. The risks of engaging with influencers and celebrities include:

- any deterioration in our relationship with our celebrities and influencer network or damage to the reputation of such influencers or celebrities;
- our relationships with influencers may not always include contractual commitments to continue to be supportive of our brands or products, and there can be no assurance that they will continue to do so;
- any negative publicity created by current influencers or celebrities, or influencers or celebrities whom we formerly engaged or who is no longer supportive of our brands;
- celebrities or influencers (including their supporters) could engage in behavior damaging the reputation of such influencers or celebrities;
- if we were held responsible for the content of posts by influencers or their actions, and such posts were found to be illegal or inappropriate, we could be fined or forced to alter our practices, even when we may not always prescribe what our influencers post or act or promote;
- influencers may use their platforms to communicate directly with our consumers without our knowledge in a manner that reflects poorly on our brands and may be attributed to us; and
- any drop in celebrities’ or influencers’ satisfaction to endorse our products, brand, our platform, or consumer experience.

As social media platforms continue to rapidly evolve and new platforms continue to develop, we must continue to maintain a strong presence on these platforms and stay relevant on new or emerging trends on popular social media platforms. Our target consumers often believe readily available information and any negative commentary could drive large-scale social media campaigns and posts against us, our products or brands, whether motivated or otherwise, and result in consumer boycotts, without further investigation and without regard to accuracy of facts. It is not possible for us to prevent or moderate such behavior, and the

precautions we take to detect or restrict this activity may not be effective in all cases. The harm may be immediate and may be long-lasting, without affording us an opportunity for redress or correction. Impersonated or fake e-commerce platforms or websites, and fake social media pages and accounts, fake consumer service calls impersonating themselves as associated with our brand or business or selling our brand of products may lead to fraud and dissatisfied consumers.

Furthermore, as laws, regulations, policies governing digital platforms and public opinion rapidly evolve to govern the use of these platforms, the failure by us, our employees, our network of influencers or any third parties acting at our direction to abide by applicable laws, regulations, policies and guidelines (such as certain guidelines prescribed under the Advertising Standards Council of India (“ASCI”) Code of Self-Regulation (the “ASCI Guidelines”)) in the use of these platforms or in the process of content creation for us or otherwise could subject us to regulatory investigations, liability, fines or other penalties and have an adverse effect on our business, financial condition, cash flows and results of operations. In addition, an increase in the use of social media for product promotion and marketing may cause an increase in the burden on us to monitor compliance of such materials and content. Also, it increases the risk that such materials could contain product restricted by local regulations, or otherwise, or marketing claims in violation of applicable regulations. In certain cases, applicable guidelines (such as the Guidelines for Influencer Advertising on Digital Media, 2021 (“Digital Media Guidelines”) and ASCI guidelines) require that content created by influencers should carry a disclosure label identifying their posts as advertisements. Additionally, pursuant to the Digital Media Guidelines, the influencer must have labels on the advertisements *inter alia* ‘ad’, ‘sponsored collaboration’, ‘partnership’. Such responsibility of disclosure in terms of the Digital Media Guidelines is on our Company and also the influencer. Pursuant to the internet laws in India, we are required to take steps to moderate the content displayed on our apps and websites, such as reviews and images posted by consumers or influencers. These requirements entail considerable resources and time, and could significantly affect the operation of our business, while at the same time also exposing us to increased liability under the relevant laws, rules and regulations. The costs associated with complying with these applicable laws, rules and regulations, including any penalties or fines, could adversely affect our business, financial condition, cash flows and results of operations.

Also, the costs to enter into relationships with influencers and celebrities or engage in sponsorship initiatives may also increase over time, which may also negatively impact our margins, cash flows and results of operations. Also if we are unable to cost-effectively use social media platforms as marketing tools or if the platforms we use change their policies or algorithms, we may not be able to fully optimize such platforms, and our ability to maintain and acquire consumers and our financial condition might get impacted.

10. *Our inability or failure to recognise, respond to and effectively manage the accelerated impact of social media could materially adversely affect our business.*

In recent years, there has been a marked increase in the use of social media platforms in India, including blogs, social media websites and applications, and other forms of Internet-based communications which allow individuals access to a broad audience of consumers and other interested persons. Many social media platforms immediately publish the content for their subscribers and participants post, often without filters or checks on accuracy of the content posted. The dissemination of inaccurate information online could harm our business, reputation, prospects, financial condition and operating results, regardless of the information’s accuracy. The damage may be immediate without affording us an opportunity for redress or correction. Other risks associated with the use of social media include improper disclosure of proprietary information, negative comments about our brands, exposure of personally identifiable information, fraud, hoaxes or malicious exposure of false information. The inappropriate use of social media by our customers or employees or suppliers or other third parties could increase our costs, lead to litigation or result in negative publicity that could damage our reputation and adversely affect our business, results of operations and financial condition.

11. *We face intense competition which may lead to a reduction in our market share and may cause us to increase our expenditure on marketing and promotion as well as cause us to offer discounts, which may result in an adverse effect on our business and a decline in our profitability.*

We face intense competition from a number of competitors, some of which are larger and have substantially greater resources than us, including the ability to spend more on advertising and marketing and offer substantial discounts. We also face competition from new entrants that may have more flexibility in responding to changing business and economic conditions than us. In addition, our competitors may introduce new products faster and more efficiently, and new products or evolving sales channels may increase

competitive pressures by enabling competitors to offer more efficient or lower-cost products. If we are unable to change our offerings in ways that reflect the changing demands of offline and online buyers and marketplaces or compete effectively with and adapt to such changes, our business, results of operations and cash flows could be adversely affected.

Some of our competitors have competitive advantages such as longer operating histories, more experience in implementing their business plan and strategy, better brand recognition, popular offline locations, greater negotiating leverage, and established supply relationships. In addition, the markets in which we compete have attracted significant investments from a wide range of funding sources, and our competitors could be better capitalized, which could allow them to increase the incentives, discounts and promotions they offer.

Competition in our industry is based on brand recognition, quality, innovation, perceived value and pricing of products, distribution reach, promotional activities, advertising and other activities. It is difficult for us to predict the timing and scale of our competitors' actions in these areas. We expect competition to continue to be intense as our competitors expand their operations and introduce new products. Failure by us to compete effectively may have an adverse effect on our business and profitability.

12. The emergence of modern trade channels like hypermarkets and supermarkets may adversely affect our pricing ability, and result in temporary loss of retail shelf space and disrupt sales of food products, which may have an adverse effect on our results of operations and financial condition.

We sell our products under the brand "ProV" to retail customers through modern trade channels like supermarkets and hypermarkets. While these retail chains provide us with an opportunity to improve our supply chain efficiencies and increase the visibility of our brands, it also increases the negotiating position of such stores. We cannot assure you that we will be able to negotiate our agreements particularly on pricing or credit, on terms favourable to us, or at all. Any inability to enter into these agreements favourably may have an adverse effect on our pricing and margins, and consequently adversely affect our results of operations and financial condition.

From time to time, retailers change distribution centres that supply products to particular retail stores. If a new distribution centre has not previously distributed our products in that region, it may take time for distribution to commence. Even if a retailer approves the distribution of products in a new region, product sales may decline while the transition in distribution takes place. If we do not get approval to have our products offered in a new distribution region or if getting this approval takes longer than anticipated, our sales and operating results may suffer.

In addition, our increased focus on selling our products directly through our website and e-commerce platforms may further result in us losing our traditional indirect distributors and retailers since customers may prefer buying products directly from website rather than visiting retail channels.

13. We have more than 100 SKUs for our retail products resulting in a high investment in inventory. Also with the growth of business operations, we are required to maintain high inventory levels to meet the demand. Any inability to accurately manage inventory and forecast demand for particular products in specific markets may have an adverse effect on our business, results of operations and financial condition. Also, perishable food product losses could materially impact our results of operations.

In the past three years, ProV has steadily gained popularity as a smart snacking choice for health-conscious consumers and resulting in a CAGR growth of revenue from operations of 47.99% during the financial year ended March 31, 2020 and March 31, 2022. Further, we have expanded our variety of products with more than 100 SKUs for different dry fruits, including flavoured, nuts, seeds and trail mixes. With such large portfolio mix and recent high growth in business volumes, we may face challenges to accurately ascertain the demand for our products and inventory volumes required for the smooth functioning of the business operations.

Demand for our products is forecasted through data analysis, indirect distributor feedback and our understanding of anticipated consumer spending, festive seasons and inventory levels with our distribution network. If we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. While we forecast the demand for our products and accordingly plan our inventory volumes, any changes in estimates could result in surplus stock, which may not be sold in a timely manner.

Though no such event has happened in the past, we cannot assure you that in future we may be able to sell our inventory in the timely manner.

The products being sold by us have a perishable life and accordingly can only be stored for a limited amount of time before they spoil and cannot be sold. Our offering of perishable products may result in significant product inventory losses in the event of extended power outages, natural disasters or other occurrences. We must therefore continuously monitor our inventory and product mix against forecasted demand or risk having inadequate supplies to meet customer demand as well as having too much inventory that may reach its expiration date. While we prominently display the shelf life in the packaging of our products, we cannot assure you that we will not face claims for damages or other litigation, if our products are consumed subsequent to the expiry of their shelf life. If we are unable to manage our operations efficiently and ensure that our products are available to meet customer demand, our operating costs could increase and our margins could fall, which could have a material and adverse effect on our business, financial condition or results of operations in addition to the adverse affect on our reputation.

14. A portion of our revenues are derived from top 5 customers as on December 31, 2022 and the Fiscal ended 2022, 2021 and 2020. A significant decrease in revenue from any of those customers or an inability to expand or effectively manage our customer base may have an adverse effect on our business prospects and financial performance.

A portion of our revenues are derived from top 5 customers who contributed approximately 38.00%, 40.34%, 32.66% and 50.61% as per latest Restated Consolidated Financial Statements for the nine months ended December 31, 2022 and the Fiscal 2022, 2021 and 2020. Although, these top 5 customers continue to vary year on year, we cannot assure you that we will continue to do the same quantity of business with these customers. A decrease in business from such customers or loss of any such customer may materially and adversely affect our business, results of operations and financial condition.

15. A significant requirement of raw materials required by us is procured from suppliers / grower across various countries internationally. Any disruption in the international trade market or economic conditions of such country of import or levy of additional duties on imports may adversely impact our sourcing capabilities, cost of purchases or raw material and results of operations. Further, exchange rate fluctuations may also adversely affect our results of operations as the payments for such imports are being made in foreign currency.

A significant portion of the goods purchased by us are through import from various countries and are denominated in foreign currencies, mostly the U.S. Dollars. During the nine months ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, our net purchase from imports amounted to ₹ 13,491.15 lakhs, ₹ 13,516.37 lakhs, ₹ 9,810.73 lakhs and ₹ 23,998.53 lakhs, respectively, which constituted 50.22%, 36.31%, 37.11% and 35.91%, respectively, of the aggregate of purchases of raw material consumed and traded goods. Although such purchases are not concentrated with any one country, however, any disruption in the international trade market or economic conditions of such country of import may impact our sourcing capabilities and we may not be able to get raw material at desired terms or at all. Further, levy of any additional import duties on such raw material or levy of additional taxes by the host country may make our products costly and increase our purchase cost and the results of operations.

Further, we have currency exposures relating to forex other than in Indian Rupees, particularly the U.S. Dollar. Changes in the relevant exchange rates could also affect import cost of raw materials and operating results. We are affected primarily by fluctuations in exchange rates among the U.S. dollar and the Indian Rupee, and our business, results of operations and financial condition may be adversely affected by fluctuations in the value of the Indian Rupee against the U.S. Dollar or other foreign currencies. Additionally, we have earned gains due to these fluctuations in foreign currency in the nine months period ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020 of Nil, ₹ 16.73 lakhs, ₹ 0.44 lakhs and ₹ 3.11 lakhs, respectively based on the Restated Consolidated Financial Statements. These gains were related to instances where the market exchange rate at the time of payments was in our favour or against us as compared to the rates when we entered into such transactions and were accounted.

In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our business, financial condition, results of operations and cash flows. We closely monitor our exposure to foreign currencies, however, this may not be sufficient to protect us against incurring potential foreign exchange related losses.

Our use of these derivatives broadly subjects us to market and credit risk, including counterparty credit risk and the risk of incurring financial losses when foreign exchange rates move contrary to expectations or if our risk management procedures prove to be inadequate, which could adversely affect our results of operation, liquidity and financial condition. For further information on our exchange rate risk management, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Quantitative and Qualitative Disclosures about Risk – Market Risk - Foreign Currency Risk”.

16. *Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency. Our management will have broad discretion over the use of the Net Proceeds.*

We intend to utilize the Net Proceeds of the Offer as set forth in “Objects of the Offer” beginning on page 78. The funding requirements disclosed as a part of the objects of the Offer are based on internal management estimates in view of past expenditures, and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances, costs, other financial conditions or business strategies. Our management, in accordance with the policies established by our Board of Directors from time to time, will have flexibility in deploying the Net Proceeds of the Offer. Based on the competitive nature of our industry, we may have to revise our business plan and / or management estimates from time to time and consequently our funding requirements may also change. Our management estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws, and may have an adverse impact on our business, financial condition, results of operations and cash flows.

Various risks and uncertainties, including those set forth in this section as well as in “Objects of the Offer” beginning on page 78, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. For example, the modes we shall utilize to undertake expenditures and investments towards our advertising and marketing strategies are not specific or identified at this stage. Further, the outcome of this expenditure and investment is not ascertainable or quantifiable at this stage and may be disproportionate to the revenue generated or consumer conversion rates. We may also use funds for future businesses which may have risks significantly different from what we currently face or may expect. Further, we may not be able to attract personnel with sufficient skills or sufficiently train our personnel to manage our expansion plans. Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

17. *Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval.*

We propose to utilise the Net Proceeds towards the proposed objects of the Offer, see “Objects of the Offer” on page 78. In accordance with Sections 13(8) and 27 of the Companies Act 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders’ approval may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in the Prospectus, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

18. *Our Company, its Subsidiaries, its Directors and its Promoters are party to certain litigation and claims. These legal proceedings are pending at different levels of adjudication before various courts and regulatory authorities. Any adverse decision may make us liable to liabilities/penalties and may adversely affect our reputation, business and financial status. A classification of these legal and other proceedings is given below.*

Our Company, its Directors and its Promoters are currently involved in legal proceedings in India which are pending at different levels of adjudication before the concerned authority. We cannot assure you that these proceedings will be decided in favour of our Company, its Directors and its Promoters, as the case may be. Any adverse decision in such proceedings may render us liable to penalties and may have a material adverse effect on the financials and reputation of our Company, its Directors or its Promoters which may in turn have an adverse effect on our business. Additionally, during the course of our business we are subject to risk of litigation in relation to contractual obligations, employment and labour law related, personal injury, damage to property, etc.

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

| Nature of Cases | Number of Cases | Total Amount Involved (in `)* |
|---|-----------------|--------------------------------|
| Proceedings against our Company | | |
| Civil | Nil | Nil |
| Outstanding actions by Regulatory and Statutory Authorities | 1 | Not Ascertainable [#] |
| Criminal | Nil | Nil |
| Tax | Nil | Nil |
| Disciplinary actions by the SEBI or Stock Exchanges | Nil | Nil |
| Outstanding cases before the Consumer Forum | Nil | Nil |
| Proceedings by our Company | | |
| Civil | Nil | Nil |
| Criminal | Nil | Nil |
| Proceedings against our Director | | |
| Civil | Nil | Nil |
| Outstanding actions by Regulatory and Statutory Authorities | 1 | Not Ascertainable [#] |
| Criminal | Nil | Nil |
| Tax | Nil | Nil |
| Disciplinary actions by the SEBI or Stock Exchanges | Nil | Nil |
| Proceedings by our Director | | |
| Civil | Nil | Nil |
| Criminal | 1 | 2,50,000 |
| Proceedings against our Promoter | | |
| Civil | Nil | Nil |
| Outstanding actions by Regulatory and Statutory Authorities | 1 | Not Ascertainable [#] |
| Criminal | Nil | Nil |
| Tax | Nil | Nil |
| Disciplinary actions by the SEBI or Stock Exchanges | Nil | Nil |
| Proceedings by our Promoter | | |
| Civil | Nil | Nil |
| Criminal | Nil | Nil |
| Proceedings against our Subsidiaries | | |
| Civil | Nil | Nil |
| Outstanding actions by Regulatory and Statutory Authorities | Nil | Nil |
| Criminal | Nil | Nil |
| Tax | Nil | Nil |
| Disciplinary actions by the SEBI or Stock Exchanges | Nil | Nil |
| Outstanding cases before the Consumer Forum | Nil | Nil |
| Proceedings by our Subsidiaries | | |

| Nature of Cases | Number of Cases | Total Amount Involved (in `)* |
|-----------------|-----------------|-------------------------------|
| Civil | Nil | Nil |
| Criminal | Nil | Nil |

#Deputy Director of Income Tax (Inv.) Unit – 6(3), Income Tax Department, conducted a search at the registered office of our Company and at the residence of Durga Prasad Jhawar, Promoter and Managing Director & CEO of our Company. The search commenced on March 03, 2023 and concluded on March 07, 2023. During the search, the Authorised Officer(s) had asked questions related to certain transactions undertaken by our Company with few entities belonging to the Edelweiss Group companies and M/s Mahavir Consultancy during the financial years ended March 31, 2017, 2018 and 2019. During this period, the Company has undertaken various transactions with the said entities for its business in the normal course of operations and also availed financing facility from ECL Finance Limited. In the course of the said proceedings, Durga Prasad Jhawar, Managing Director & CEO of our Company has given his written statement to the department with respect to the queries raised by the department. Upon temporary conclusion of the search, a panchnama dated March 07, 2023 was issued by DDIT (Inv.) Unit -6(3) for the search and seizure of data backups of mobiles, emails and laptops/ systems available at the registered office of our Company and at the residence of Durga Prasad Jhawar, Promoter, Managing Director & CEO of our Company. Neither our Company nor Durga Prasad Jhawar has received any notices in light of the search conducted at our Company's registered office and Durga Prasad Jhawar's residence. Later, Elite Solutions and Services Limited, Proventus Retail Private Limited, Pro-Nova Bio Technologies Private Limited and Shree JMD Invest Advisors LLP have received summons dated March 28, 2023 and Proventus Agrocom Limited and Proventus Cashew Processing Private Limited have received summons dated March 30, 2023 in the above matter for appearance before the department with details of certain financial information, corporate structure, KYC details, summary of all bank accounts alongwith transactions undertaken, list of expenses, etc. The said hearing was attended by Mr. Prakash Chechani, Chartered Accountant, as authorized representative of the Company and he had submitted the relevant documents. On April 21, 2023, the Dy. Director of Income Tax (Inv.), Unit - 6(4), Mumbai, issued an Order of Revocation whereby certain prohibitory orders placed on March 7, 2023 on the second and third cupboards situated in the staff's sitting room at C-515, 5th Floor, 215 Atrium, Andheri-Kurla Road, Andheri East, Mumbai-400 059 during the course of search under section 132 of the Income Tax Act was revoked. The matter is pending as on date.

We may be required to devote management and financial resources in the defence or prosecution of any legal proceedings. Should any new developments arise, including a change in Indian laws or rulings against us by the appellate courts or tribunals, we may face losses and we may have to make further provisions in our financial statements, which could increase our expenses and our liabilities. Decisions in such proceedings, adverse to our interests, may have a material adverse effect on our business, cash flows, financial condition, and results of operations. Failure to successfully defend these or other claims, or if our current provisions prove to be inadequate, our business and results of operations could be adversely affected. Even if we are successful in defending such cases, we will be subject to legal and other costs relating to defending such litigation, and such costs could be substantial. In addition, we cannot assure you that similar proceedings will not be initiated in the future. Any adverse order or direction in these cases by the concerned authorities, even though not quantifiable, may have an adverse effect on our reputation, brand, business, results of operations and financial condition. For further details, please refer to "**Outstanding Litigation and Material Developments**" on page 257 of this Prospectus.

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

Our business operations, in particular our day-to-day manufacturing operations are subject to a broad range of health, safety and environmental laws and regulations, and violations of these laws and regulations can result in fines, penalties or litigation, which may adversely affect our business, financial condition and results of operations. For instance, the provisions of the Food Safety and Standards Act, 2006 ("FSS Act") and all rules, regulations and subsidiary legislation are applicable to us and our products, which sets forth scientific standards for articles of food and to regulate their processing, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption and requirements relating to the license and registration of food. Contravention of the requirement to obtain a license or carry a business without obtaining a license under the FSS Act is punishable with imprisonment for a period of up to three years in ordinary cases and beyond three years in special cases, along with fines. Subsequent contraventions are punishable

with twice the punishment during the first conviction and higher monetary and other penalties including cancellation of license. To remain compliant with all laws and regulations that apply to our operations and products, we may be required in the future to modify our operations or make capital improvements. For details, see “Key Regulations and Policies” on page 126.

We are also subject to laws and Government regulations, including in relation to safety, health and environmental protection. These laws and regulations include the Environmental Protection Act 1986, the Air (Prevention and Control of Pollution) Act 1981 (the “**Air Act**”), the Water (Prevention and Control of Pollution) Act, 1974 (the “**Water Act**”) and other regulations promulgated by the Ministry of Environment and the pollution control boards of the relevant states. These environmental protection laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other such aspects of our manufacturing. In particular, there have been multiple rounds of regulatory changes with regards to packaging material and the use of plastics in packaging and obligations imposed on us to appoint an authorised agency to collect the plastic packets of food products sold to the end consumer. There can be no assurance that there will not be future changes in the regulatory framework concerning this area of manufacturing, which may cause commercial and operational challenges to our Company. Correspondingly, there can be no assurance that we will not be in violation of these regulations in the future even though in the past, we have not been subject to any such violations. However, in the future, if we fail to meet environmental requirements, we may be subject to administrative, civil and criminal proceedings by Government entities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us as well as revocation of approvals and permits and orders that could limit or halt our operations.

There can be no assurance that such non-compliance will not occur and regulatory actions including injunction orders will not be taken or passed against us. Further, the loss or shutdown of our operations over an extended period of time, clean-up and remediation costs, as well as damages, other liabilities and related litigation, could adversely affect our business, financial condition and results of operations.

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

We are governed by various laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals and permits at state and central government levels for doing our business. The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous.

Additionally, we are in the process of applying for certain approvals, licenses, registrations and permits, which are required for our business and further, we have also intended to update the approvals, licenses, registrations and permits obtained by us in the new name of the Company pursuant to the conversion of our Company from private limited to public limited company. Our Company and its Material Subsidiaries have also applied for certain approvals which were yet to be obtained. For instance, one of our Material Subsidiaries, ProV Foods Private Limited, has applied for factory license under the Factories Act, 1948 for our factory located at Plot No. A-793, T.T.C. Industrial Area, M.I.D.C., Khairane, Navi Mumbai, Thane - 400709, Maharashtra, India vide application under Form 1 bearing reference number 100027602321 dated April 14, 2023–, which are currently pending before the relevant authorities. For further details, see “**Government and Other Statutory Approvals**” beginning on page 263 of this Prospectus.

Further, our Material Subsidiary, ProV Foods Private Limited has obtained a Consent to Establish for our factory located at Gen 71/2, TTC Industrial Area, Mahape, Navi Mumbai, Mumbai - 400701 from the Maharashtra Pollution Control Board. However, as on date ProV Foods Private Limited is unable to trace the said Consent and thus the BRLM or our Company cannot verify the terms and conditions of such Consent.

While we have obtained a significant number of approvals, our Material Subsidiary, ProV Foods Private Limited, has not obtained a fire NOC for its factory located at Plot No. A-793, T.T.C. Industrial Area, M.I.D.C., Khairane, Navi Mumbai, Thane - 400709, Maharashtra, India. Further, our Company and its Material Subsidiaries have established a few fulfilment centres in a few states for the purpose of carrying out sales operations directly in such states. While we have entered into lease agreements for use of such fulfilment centres, our Company and Material Subsidiaries do not carry out any activities from such fulfilment centres. These fulfilment centres are not material for operation of our business and have been established only to meet the criteria set out by some of our e-commerce players and neither our Company nor our Material Subsidiaries

employ any person at such fulfilment centres. Our Company has, therefore, not obtained registrations under the laws governing local shops and establishments. If we are called upon to obtain such registrations for the fulfilment centres, any delay in receipt or the non-receipt of such approvals, licenses, registrations and permits could redirect some of our time and attention to such matters. Furthermore, the relevant authorities may impose fines or penalties or both for our failure to obtain approvals in a timely manner or at all.

These laws and regulations governing us are increasingly becoming stringent and may in the future create substantial compliance or liabilities and costs. While we endeavor to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures, and an inability to comply with such regulatory requirements may attract penalty. For further details regarding the material approvals, licenses, registrations and permits, which have not been obtained by our Company or are, pending renewal, see "**Government and Other Statutory Approvals**" on page 263 of this Prospectus.

One of our Subsidiaries, ProV-Nova Bio Technologies Private Limited, carries out manufacturing of briquets in the factory premises of our Material Subsidiary, ProV Foods Private Limited. However, ProV-Nova Bio Technologies Private Limited does not have a valid license to operate in the factory premises of ProV Foods Private Limited. We cannot assure you no action will be taken against ProV-Nova Bio Technologies Private Limited in future for non-compliance under the applicable laws.

Furthermore, we cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any suspension or revocation of any of the approvals, licenses, registrations and permits that has been or may be issued to us may affect our business and results of operations.

21. Industry information included in this Prospectus has been exclusively derived from an industry report commissioned and paid for by us in connection with the Offer. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

We have availed the services of an independent third-party research agency, Wazir Advisors Private Limited, to prepare and issue the Industry Report, for the purposes of inclusion of such information in this Prospectus exclusively in connection with the Offer. The Industry Report is subject to various limitations and based upon certain assumptions, estimates, forecasts and projections that are subjective in nature. Although we believe that the data in the Industry Report may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. As there are no standard data gathering methodologies in the industry, methodologies and assumptions may vary widely among different industry sources. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Prospectus.

22. Information relating to our production capacities and the historical capacity utilization of our manufacturing facilities included in this Prospectus is based on various assumptions and estimates and future production and is certified by third party and capacity utilization may vary.

The information relating to the estimated annual installed capacity and the average estimated annual available capacity of our manufacturing facilities included in this Prospectus are based on various assumptions and estimates of our management that have been taken into account by the chartered engineer in the calculation of our capacity. These assumptions and estimates include the standard capacity calculation practice of industry after examining the installed capacity, calculations and explanations provided by our management, the period during which the facility operates in a year, availability of raw ingredients, expected utilization levels, estimated downtime resulting from scheduled maintenance activities, assumptions relating to unscheduled breakdowns, as well as expected operational efficiencies. Actual production levels and capacity utilization rates may therefore vary significantly from the estimated annual installed capacity and the average estimated annual available capacity information of our facility.

Undue reliance should therefore not be placed on our capacity information or historical capacity utilization information for our existing facilities included in this Prospectus. Further, average estimated annual available capacity has been calculated on the basis of the estimated daily available capacity for the relevant periods, as certified by Sapient Services Private Limited, Chartered Engineer pursuant to certificate dated March 23, 2023. Significant changes from our annual available capacity could adversely affect our results of operations, cash flows and financial condition.

23. *We have incurred indebtedness and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition.*

We have entered into agreements with certain banks for short-term and long terms facilities. As of February 28, 2023, we had total borrowings of ₹ 3,560.98 lakhs on consolidated basis. In terms of security, we are required to create a mortgage or charge over our movable properties. We may also be required to furnish additional security if required by our lenders. Additionally, we are required to, among others, maintain the prescribed debt coverage ratio, net total debt, and fixed asset coverage ratio. There can be no assurance that we will be able to comply with these financial or other covenants at all times or that we will be able to obtain the consent necessary to take the actions that we believe are required to operate and grow our business.

Further, we are susceptible to changes in interest rates and the risks arising therefrom. Certain of our financing agreements provide for interest at variable rates with a provision for the periodic resetting of interest rates. Further, under certain of our financing agreements, the lenders are entitled to charge the applicable rate of interest, which is a combination of a base rate that depends upon the policies of the RBI and a contractually agreed spread, and in the event of an adverse change in our Company's credit risk rating.

24. *Our Company requires significant amount of working capital for a continuing growth. Increase in business activities may be reflected by an absolute increase in the gap between our trade receivables and trade payables, requiring us to arrange for increased working capital limits. Our inability to meet our working capital requirements may adversely affect our results of operations.*

In our business, working capital is often required to finance the purchase of raw material and for processing activities. In the event, we are unable to source the required amount of working capital, we might not be able to efficiently satisfy the demand of our customers. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect the price of our products.

All of these factors, including increase in business activities, may widen the absolute gap between trade receivables and trade payables putting strain on our Company's financial resources and may result in increase in the amount of short-term borrowings/ working capital loans. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

25. *We have in the past entered into related party transactions and may continue to do so in the future, subject to relevant compliances under applicable laws and rules as amended, which may potentially involve conflicts of interest with the equity shareholders.*

We have entered into transactions with certain related parties, including our Promoters, certain members of our Promoter Group, certain Directors and Key Managerial Personnel of our Company. In particular, we have entered into various transactions with such parties in relation to, amongst others, remuneration, professional fees, sale of goods, rent expense and reimbursement of expenses. While we believe that all such transactions have been conducted on an arm's length basis **and are subject to relevant compliances under applicable laws and rules as amended**, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into additional related party transactions in the future. Such related party transactions may potentially involve conflicts of interest.

During the nine months period ended December 31, 2022 and in Fiscals 2022, 2021 and 2020, the aggregate amount of such related party transactions was ₹ 14,494.83 lakhs, ₹ 17,059.66 lakhs, ₹ 8,547.51 lakhs and ₹ 1,919.09 lakhs, respectively including the transactions with subsidiaries of our Company in accordance with requisite compliance of the Companies Act. For further information on our related party transactions, see “Related Party Transactions” on page 256. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition

26. We have experienced negative cash flows from operating, investing and financing activities in the past.

We have in the past, and may in the future, experience negative cash flows from operating, investing and financing activities. The following table sets forth our net cash inflow/(outflow) from operating, investing and financing activities for the periods/years indicated:

(₹ in lakhs)

| Particulars | For the nine months ended December 31, 2022 | For the financial year ended | | |
|--|---|------------------------------|----------------|----------------|
| | | March 31, 2022 | March 31, 2021 | March 31, 2020 |
| Net cash flows from / (used in) operating activities | (550.63) | 20.84 | 1,272.04 | 1,378.36 |
| Net cash flows from / (used in) investing activities | (32.73) | (111.03) | (99.50) | (562.33) |
| Net cash flows from / (used in) financing activities | (454.36) | 216.59 | (87.49) | (847.03) |

We had net cash outflow from operating activities of ₹ 550.63 lakhs during the nine months period ended December 31, 2022, primarily due to increase in trade receivables on account of expansion of retail operations of the brand. Any negative cash outflows from operating activities over extended periods, or significant cash outflows in the short term from investing and financing activities, could have an adverse impact on our cash flow requirements, business operations and growth plans. As a result, our cash flows, business, future financial performance and results of operations could be adversely affected. For further details, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Cash Flows” on page 248.

27. Our business depends on our ability to maintain and scale our technology. Any interruptions or delays in service on our website or any undetected errors or design faults could result in limited capacity, reduced demand, processing delays, and loss of consumers, suppliers or sellers.

A key element of our growth strategies is to continue to acquire new consumers through brand awareness and enhanced consumer engagement, and generate a high volume of traffic on the digital platforms we offer. Our reputation and ability to attract, retain and serve our consumers depend upon the reliable performance of our subsidiary, ProV Food’s website (www.provfoods.in) and mobile websites and the underlying network infrastructure. We may experience interruptions in these systems in the future, such as server failures that disrupted the performance of our websites and mobile websites, which may adversely affect our business, financial condition, cash flows and results of operations. Further, while we undertake architectural changes on the user feel of our website, we cannot assure you that this is sufficient to address the continuously increasing traffic on our platforms.

As our consumer base and the amount of information shared on our website continues to grow, we will need an increasing amount of network capacity and computing power. We have spent and expect to continue to spend substantial amounts on our technology infrastructure to handle the traffic on website. The operation of these systems is complex and could result in operational failures. If the volume of traffic of our consumers exceeds the capacity of our technology infrastructure or if our consumer base or the amount of traffic on our website and mobile website grows more quickly than anticipated, we may be required to incur additional costs to enhance our underlying technology infrastructure.

The volume of traffic and activity on our website spikes on certain days, such as during festival periods, and any such interruption would be particularly problematic if it were to occur at a time of high volume. If sustained or repeated, these performance issues could reduce the attractiveness of our products and platform. In addition, the costs and complexities involved in expanding and upgrading our systems may prevent us

from doing so in a timely manner and may prevent us from adequately meeting the demand placed on our systems. Any interruption or inadequacy that causes performance issues or interruptions in the availability of our website could reduce consumer satisfaction and result in a reduction in the number of consumers purchasing our products and services, adversely affecting our business and financial position.

28. *We are subject to payment-related risks, including risks associated with cash on delivery and payment processing risks.*

Our Subsidiary, ProV Foods, accept payments using a variety of methods, including credit and debit cards, digital wallets and cash on delivery. Cash on delivery is a preferred method of payment for online purchases in India. Although the share of the prepaid orders on our website has increased over prior periods, we are still subject to the risk that cash collected from consumers may be misappropriated. We are subject to the risk of fraudulent activity associated with cash on delivery, such as payment of purchases with counterfeit currency. In addition, if a consumer does not pay the amount due, the purchase will be returned to us, which does not contribute to our revenue. We also absorb the costs of return shipping fees. Increases in the returns of our products may increase our operating costs. For certain payment methods, including credit and debit cards, we pay bank interchange and other fees, although we may receive cashback on certain transactions. These fees may increase over time, which would increase our operating costs. We use various third parties and payment gateways to provide payment processing services, including the processing of credit and debit cards. The suspension or termination of such payment gateways may disrupt our sales and business operations.

We are required to comply with payment card network operating rules, which are set and interpreted by the payment card networks for the third-party payment processors. The payment card networks could adopt new operating rules or interpret or re-interpret existing rules, as revised by regulatory bodies such as the Reserve Bank of India (“**RBI**”) from time to time, in ways that might prohibit us from providing certain services to some consumers, be costly to implement, or difficult to follow. Failure to comply with such rules may render us liable for fines, indemnities or higher transaction fees, or result in us losing our ability to accept credit and debit card payments or other types of online payments. Occurrences of such events could adversely affect our business, financial condition, cash flows and results of operations.

29. *If we are unable to protect credit card or debit card data or any data related to any other electronic mode of payment, or any other personal information that we collect, our reputation could be significantly harmed.*

The use of electronic payment methods on our subsidiary’s website, www.provfoods.in exposes us to an increased risk of privacy and security breaches as well as other risks. Even though we utilise third party payment gateway on the abovementioned website and we do not collect any financial data from the consumers, these third parties may or do have the technology or know-how to breach the security of the customer information transmitted in connection with credit and debit card and use of e-wallets, and our security measures and those of technology suppliers may not effectively prohibit others from obtaining improper access to this information. If a person is able to circumvent our security measures or otherwise gain access to the confidential information that we collect, they may be able to destroy or steal valuable information or otherwise disrupt our operations. We may become subject to claims for purportedly fraudulent transactions arising out of the actual or alleged theft of credit or debit card information or other confidential information, and we may also be subject to lawsuits or other proceedings relating to these types of incidents. Any such claim or proceeding could cause us to incur significant unplanned expenses, which could have an adverse impact on our financial condition, results of operations and cash flows. Further, adverse publicity resulting from these allegations could significantly harm our reputation and may have a material adverse effect on us and our business.

Moreover, we receive and process certain personal financial and other information about our customers when we accept payment. While we do not store customers’ credit and debit card payment information, the use and handling of this information are regulated by evolving and increasingly demanding laws and regulations in India.

If our security and information systems are compromised as a result of data corruption or loss, cyberattack or a network security incident or our employees, or suppliers fail to comply with these laws and regulations, and this information is obtained by unauthorized persons or used inappropriately, it could subject us to litigation and government enforcement actions, damage our reputation, cause us to incur substantial costs, liabilities

and penalties and/or result in a loss of customer confidence, any and all of which could adversely affect our business, financial condition and results of operations.

30. *Inability to maintain adequate internal controls may affect our ability to effectively manage our operations, resulting in errors or information lapses.*

As we continue to expand, our success depends on our ability to effectively utilize our resources and maintain internal controls. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances. We may need to modify and improve our financial and management control processes, reporting systems and procedures and other internal controls and compliance procedures to meet our evolving business needs. If we are unable to improve our controls, systems and procedures, they may become ineffective and adversely affect our ability to manage our operations resulting in errors or information lapses that affect our business. Our efforts in improving our internal control systems may not result in eliminating all risks. If we are not successful in discovering and eliminating weaknesses in our internal controls, our ability to manage our business effectively may materially and adversely be affected.

We are also subject to anti-corruption laws and regulations, which generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of anticorruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

31. *Our insurance coverage could prove inadequate to satisfy potential claims or protect us from potential operational hazards and losses which may have a material adverse effect on our business, results of operations and financial condition.*

Our operations are subject to various risks inherent to the dry fruits and healthy snacking industry including defects, malfunction and failure of processing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents and natural disasters. We have obtained insurance policies that we believe are customary in our industry and provide for commercially appropriate insurance coverage for a variety of risks. In the financial year 2022-23, there has been one instance of theft wherein ProV Foods has filed a claim for loss of ₹ 16.45 lakhs in December 2022 and the same is under process. Further, our Company has also filed for two claims under its marine insurance for damage of goods received for an approximate aggregate value of 74,000 USD (approx. ₹ 61 lakhs) in October 2022 for which the Company has received claim of ₹ 23.91 lakhs net of salvage value of ₹ 33.56 lakhs and deduction of amount on account of policy excess and non standard claims. For further information regarding the insurance policies obtained by us, see “Our Business - Insurance” on page 123.

However, there can be no assurance that our current insurance policies will insure us fully against all risks and losses that may arise in the future. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. In cases where certain loss or damages are not covered under our insurance policies, or even if such losses are insured, we are required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss or the premium charged is significantly increased, our results of operations and cash flows could be adversely affected. In addition, our insurance policies are subject to annual review, and we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, or at all. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our financial condition, results of operations and cash flows.

32. *We may be unable to sufficiently obtain, maintain, protect, or enforce our intellectual property and other proprietary rights.*

We own our corporate logo, word mark and trademark "Proventus", "ProV" and "ProV", used as a prefix in the name of our Company our Subsidiaries. Our trademark 'Proventus' ("Trademark"), which is used as a prefix in the name of our Company, is registered in the name of our Company under Class 14, 16, 29, 30, 31, 35, 36, 38 and 39 of the Trade Marks Act, 1999.

Our Company has applied for various trademark registrations in relation to our Company and Subsidiaries.

However, the applications made by our Company for registration of trademark 'ProV' under Class 29, 30, 31 and 38 of the Trade Marks Act, 1999 are under objection, under Class 14, 16, 35, 36 and 39 are accepted and advertised and under Class 14, 16, 35, 36 and 39 is registered. For further details, please see "**Government and Other Statutory Approvals**" beginning on page 263 of this Prospectus.

In relation to our registered trademark, "ProV" ("**ProV**"), we became aware of an infringement of ProV by M/s ProV27 Foods who used ProV as a suffix in their name. On March 17, 2023, we issued a notice to M/s ProV Foods located at 304, Sai Saran Apts, Ananad Nagar Colony, Kharitabad, Hyderabad 500004 for infringement of ProV under the Trade Marks Act, 1999 and claimed damages for the same. Further, on April 28, 2023 we have issued a reminder notice in continuation to our notice dated March 17, 2023. We are yet to receive a reply to the said notices. If M/s ProV27 Foods does not cease the usage of ProV, we may have to initiate legal action against them which may redirect some of our time and attention. We cannot assure that the outcome of such litigation being in our favour.

With respect to our trademarks that have been applied for and/or are under objection or opposed, we cannot assure you that we will be successful in removing the objections or contend the opposition. As a result, we may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted. We cannot guarantee that any of our registered or unregistered intellectual property rights or our know-how, or claims thereto, will now or in the future successfully protect what we consider to be the intellectual property underlying our products and business, or that our rights will not be opposed or otherwise challenged.

While we endeavour to ensure that we comply with the intellectual property rights, there can be no assurance that we will not face any intellectual property infringement claims brought by third parties. Any claims of infringement, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims and may divert the efforts and attention of our management away from our business. We could be required to change the name of our Company and our Subsidiaries which carry the prefix "Proventus" and "ProV", pay third party infringement claims or obtain fresh licenses resulting from a name change. The occurrence of any of the foregoing could result in unexpected expenses.

For further details please see "**Government and Other Statutory Approvals**" beginning on page 263 of this Prospectus.

33. We do not own our Registered Office and other business premises and the operations are being conducted on premises that have been taken on lease. Any difficulty in seeking renewal or extension of such lease terms may cause disruption in our operations.

Our Registered Office and the manufacturing facility occupied by our Subsidiary, ProV Foods are located on leased premises. In addition, we have also leased a cold storage facility from third party service provide based on its requirement. These lease agreements may be terminated in accordance with their respective terms, and any termination or non-renewal of such leases could adversely affect our operations. Additionally, the factory buildings and warehouses obtained by us under operating leases generally have annual escalation clauses for rent payments. Further, the cold storage facilities being used by us on lease basis utilised area of which may vary from time to time based on our requirement.

On January 15, 2023, ProV Foods have the notice of termination of the agreement on January 15, 2023 for vacating the said premises. As agreed by the lessor vide e-mail dated January 17, 2023, the said premises has to be vacated within a period of four months from the date of such notice. The same has been further extended by three months agreeing to allow vacation of the premise by August 14, 2023. Shifting of the processing plant from the existing facility to new facility may result in closure of manufacturing facility for the time within which the shifting of the facility will be carried out.

There can be no assurance that we will be able to retain or renew such leases on same or similar terms, or that we will find alternate locations for the existing facilities on terms favourable to us, or at all. Failure to identify suitable premises for relocation of existing properties, if required, or in relation to new or proposed properties we may purchase, in time or at all, may have an adverse effect on our production and supply chain, the pace of our projected growth as well as our business and results of operations.

34. *The success of our business depends substantially on our management team and operational workforce. Our inability to retain them could adversely affect our businesses.*

Our senior management and key management personnel are difficult to replace. Our success and growth depends upon consistent and continued performance of our employees with direction and leadership from senior management. From time to time, there may be changes in our executive management team or other key employees to enhance the skills of our teams or as a result of attrition. We cannot assure you that we will continue to retain any or all of the key members of our management. We do not maintain key personnel insurance in respect of the risk of the loss of any of our Promoters, senior managers or other key managerial personnel.

The key managerial personnels play a strategic role in developing and building relations with our key stakeholders, including investors, board members, suppliers and other strategic business relationships on a regular basis. They play a significant role in building and maintaining strong relationships with critical stakeholders into the future. If they were to step down from their leadership positions in our Company, our reputation could deteriorate and our business could be adversely affected.

Our success also depends on our ability to recruit, develop and retain qualified and skilled personnel, for all our lines of business. We compete in the market to attract and retain skilled personnel, in areas such as engineering, product and design, technology, sales, digital marketing and brand management, omni-channel retailing and consumer service, supply chain and operations, as well as enabling corporate functions.

If we fail to identify, recruit and integrate strategic personnel, our business could be adversely affected. Any loss of members of our senior management team or key personnel could significantly delay or prevent the achievement of our business objectives, affect our succession planning and could harm our business and consumer relationships. We may need to invest significant amounts of cash and equity to attract and retain new employees, and we may never realize returns on these investments. If we are not able to retain and motivate our current personnel or effectively integrate and retain employees, our ability to achieve our strategic objectives, and our business could be adversely affected.

35. *We rely on third-party transportation providers for both procurement of our raw materials and distribution of our products. Any failure by any of our transportation providers to deliver our raw materials or our products on time, or in good condition, or at all, may adversely affect our business, financial condition and results of operations.*

We depend on various forms of transportation to either receive raw materials for our processing purposes or to deliver the finished products to our indirect distributors and other parties. We are therefore significantly dependent on transportation and logistics companies that we engage with.

The disruption of transportation services due to natural factors such as weather conditions particularly during monsoon or flood seasons, or man-made factors such as strikes, accidents, or other inadequacies in the transportation infrastructure, or any other factor that could impair the ability of our suppliers to deliver raw materials to us and our ability to deliver our products to our indirect distributors and their ability to deliver products to the end retailer in a timely manner, which may adversely affect our sale of products. Such raw materials and our products may be lost, damaged or deteriorated and contaminated due to improper handling, negligence, transport strike or accidents or any other *force majeure* events which may not be within our control. Additionally, if we lose one or more of our third-party transportation providers, there can be no assurance that we will be able to find new or alternative third-party transportation providers at all, or at terms as favourable as those which we have in force with our current partners.

Further, our third-party transportation providers may not carry adequate insurance coverage and therefore, any losses that may arise during the transportation process may have to be claimed under our marine insurance policy. There can be no assurance that we will receive compensation for any such claims in full amount in a

timely manner or at all, and consequently, any such loss may adversely affect our business, financial condition and results of operations.

- 36. *We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our cash flows and results of operations.***

We appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations. During the month of February 2023, we engaged around 145 personnel on contractual basis. Although we do not engage such labour directly, we may be held responsible to pay their social benefits or shortfall in wages and provide certain amenities and facilities, if the independent contractors fail to do so, by a regulatory body or court, which may adversely affect our cash flows and results of operations. See “Our Business - Employees” on page 123.

- 37. *We do not have documentary evidence for certain details in relation to evidences for relevant work experiences in relation to Durga Prasad Jhawar and Shalin Sanjiv Khanna included in “Our Promoters and Promoter Group”, in this Prospectus.***

We do not have documentary evidence for certain details, such as evidences for relevant work experiences in relation to Durga Prasad Jhawar and Shalin Sanjiv Khanna, as included in “Our Promoters and Promoter Group” on page 155. These details have been included based on the details provided by the relevant individuals, certifying the authenticity of the information provided. We cannot assure you that all the details in relation to the aforementioned Promoters included in the “Our Promoters and Promoter Group” section are complete, true and accurate.

- 38. *We will not receive any proceeds from the Offer for Sale. The Selling Shareholders will receive the net proceeds from the Offer for Sale.***

The Offer consists of a Fresh Issue and an Offer for Sale. The Offer includes an offer for sale of such number of Equity Shares aggregating up to 2,30,147 Equity Shares by the Selling Shareholders, which includes the Promoter Selling Shareholder. The Promoter Selling Shareholder is, therefore, interested in the Offer Proceeds to the extent of the Equity Shares offered by them in the Offer for Sale. The Selling Shareholders shall be entitled to the net proceeds from the Offer for Sale, which comprise proceeds from the Offer for Sale net of Offer expenses shared by the Selling Shareholders, and our Company will not receive any proceeds from the Offer for Sale.

- 39. *Grants of stock options under our employee stock option plans may result in a charge to our profit and loss account and will, to that extent, reduce our profits.***

We currently have options granted under our Stock Incentive Plan and may in the future grant further options or establish other stock incentive plans, under which eligible employees may participate, subject to the requisite approvals having been obtained. Our Company shall do the accounting of the stock options granted to the employees on fair value of options and under Indian GAAP, the grant of stock options will result in a charge to our profit and loss account equal to the fair value of options. The fair value of options will be amortized over the vesting period of these stock options. We are not in a position to determine the precise impact of such adjustments on our profitability as of the date and such adjustments may materially affect the financial condition of our Company. For further details, see “Capital Structure” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 68 and 237, respectively.

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

As on the date of this Prospectus, our Promoters and members of the Promoter Group held 92.29% of the paid-up share capital of our Company, for details of their shareholding pre and post Offer, see “Capital Structure” on page 68. After the completion of the Offer, our Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in our Company, i.e. 70.84%. Our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders’ approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially

all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of the Promoters as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that our Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For further information in relation to the interests of our Promoters in the Company, please see “Our Promoters and Promoter Group”, “Our Management” and “Restated Consolidated Financial Statements” on pages 155, 140 and 163, respectively.

41. *Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*

Our ability to pay dividends in the future will depend on a number of factors identified in the dividend policy of our Company, liquidity position, profits, capital requirements, financial commitments and financial requirements including business expansion plans, cost of borrowings, other corporate actions and other relevant or material factors considered relevant by our Board, and external factors, such as the state of the economy and capital markets, applicable taxes including dividend distribution tax, regulatory changes and other relevant or material factors considered relevant by our Board. 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, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. We cannot assure you that we will be able to pay dividends in the future. For further information, see “Dividend Policy” on page 162.

EXTERNAL RISK FACTORS

Risks related to India

42. *Our business and operations are located in India and as such, we are subject to regulatory, economic, social and political uncertainties in India, many of which are beyond our control.*

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. We are incorporated in India, and almost all of our business and all of our personnel are located in India. Consequently, our business, cash flows and results of operations will be affected by a number of macroeconomic and demographic factors in India which are beyond our control. In particular, our total income and profitability are strongly correlated to consumer discretionary spending in India, which is influenced by general economic conditions, salaries and employment levels and consumer confidence. Recessionary economic cycles, a protracted economic slowdown, a worsening economy, increased unemployment, increased energy prices, rising interest rates or other industry-wide cost pressures could also affect consumer behavior and spending for BPC products and lead to a decline in our total income and profitability.

While our results may not necessarily track India’s economic growth figures, the Indian economy’s performance affects the environment in which we operate. These factors could have an adverse effect on our business, financial condition, cash flows and results of operations.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

43. *Changing laws, rules and regulations and legal uncertainties, including any adverse application of corporate and tax laws, may adversely affect our business, cash flows, prospects and results of operations.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, cash flows, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

For instance, GoI has notified the Finance Act, 2021 (“**Finance Act**”), which introduced various amendments to the taxation laws in India. Under the Finance Act, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. Further, the GoI has announced the Union Budget for the Financial Year 2023 pursuant to which the Finance Act of 2022 has introduced various amendments. 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.

In India, the Supreme Court, in a judgment delivered on 24 August 2017, has held that the right to privacy is a fundamental right. Following this judgment, the Government of India is considering the enactment of the Personal Data Protection Bill, 2022 on personal data protection for implementing organizational and technical measures in processing personal data and lays down norms for cross-border transfer of personal data and to ensure the accountability of entities processing personal data. The enactment of the aforesaid bill may introduce stricter data protection norms for a company such as us and may impact our processes.

Further, the GoI introduced new laws relating to social security, occupational safety, industrial relations and wages namely, the Code on Social Security, 2020 (“**Social Security Code**”), the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labor legislations, were to take effect from April 1, 2021 (collectively, the “**Labour Codes**”). The GoI has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been finalized, as an immediate consequence, the coming into force of these codes could increase the financial burden on our Company, which may adversely impact our profitability. For instance, under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government) of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees’ provident fund.

Unfavourable 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. We may incur increased costs and other burdens relating to compliance with new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, cash flows, results of operations and prospects. Uncertainty in the application, 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 business or restrict our ability to grow our businesses in the future.

44. A downgrade in ratings of India, may affect the trading price of the Equity Shares.

India’s sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India’s foreign exchange reserves, all which are outside the control of our Company. Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse revisions to India’s credit ratings for domestic and overseas debt by international rating agencies may adversely impact our ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

45. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under foreign exchange regulations which are currently in force in India, transfer of shares between non-residents and residents is freely permitted (subject to compliance with sectoral norms and certain other restrictions) provided they comply with the pricing guidelines and reporting requirements specified under applicable law. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. We sell our products on a retail and on a business-to-business basis under the wholesale trading model and single brand retail. Under the Consolidated FDI Policy, 100% foreign direct investment is permitted in a company engaged in manufacturing, wholesale trading as well as single brand product retail, under the automatic route, subject to certain conditions specified thereunder. In the event of foreign direct investment beyond 51%, an investee entity is also required to comply with certain local sourcing norms as specified in the FEMA Rules and the Consolidated FDI Policy. Our inability to comply with any such conditions may restrict our ability to raise capital in the future or in the ability of foreign investors to purchase Equity Shares.

Further, in accordance with Rule 6(a) of the FEMA Rules and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms and conditions or at all. For further information, see “Restrictions on Foreign Ownership of Indian Securities” on page 318. Our ability to raise any foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, cash flows, financial condition, results of operations and prospects.

46. *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, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us.

Furthermore, economic developments globally can have a significant impact on India. In particular, the global economy has been negatively impacted by the conflict between Russia and Ukraine. Governments in the United States, United Kingdom, and European Union have imposed sanctions on certain products, industry sectors, and parties in Russia. The conflict could negatively impact regional and global financial markets and economic conditions, and result in global economic uncertainty and increased costs of various commodities, raw materials, energy and transportation. In addition, recent increases in inflation and interest rates globally, including in India, could adversely affect the Indian economy.

In addition, China is one of India’s major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets. These factors may also result in a slowdown in India’s export growth. Any significant financial disruption could have an adverse effect on our business, financial condition, cash flows and results of operation.

47. *If inflation rises in India, increased costs may result in a decline in profits and result of operations may be adversely affected.*

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the costs of third party suppliers and contract manufacturers, rents, wages, raw materials and other expenses. In recent years, India has experienced consistently high inflation, especially and increasingly so in recent months, which has increased the price of, among other things, our rent, raw materials and wages. Further, while the Government of India has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not worsen and rise in the future. If we are unable to

increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Risks related to the offer

- 48. *The Equity Shares have never been publicly traded, and, 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.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in the securities markets in India and other jurisdictions, 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.

- 49. *Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend on the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax (“STT”), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Further, withholding tax may be applicable on sale of shares by Non- Resident / FII under section 115E and 115AD.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020 and, accordingly, such dividends would not be exempt in the hands of the Shareholders both for residents as well as non-residents. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident Shareholder for the purposes of deducting tax at source pursuant to any corporate action, including dividends.

There is no certainty on the impact of Indian tax laws or other regulations, and which may adversely affect the Company’s business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

- 50. *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, and Retail Individual Investors are not permitted to withdraw their Application after Offer Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Application Amount on submission of the Application and 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 a Application. Retail Individual Investors can revise their Application during the Offer Period and withdraw their Application until the Offer Closing Date. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity

Shares are proposed to be listed including Allotment pursuant to the Offer within six Working Days from the Offer Closing Date, events affecting the Investors' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Application and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Investors' ability to sell the Equity Shares allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline upon listing. QIBs and Non-Institutional Applicants will therefore not be able to withdraw following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise, between the dates of submission of their Application Form and Allotment.

51. *The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.*

The Offer Price of the Equity Shares is proposed to be determined by us, the Promoter Selling Shareholders and the Investor Selling Shareholders in consultation with the Lead Manager, through a book-building process. This price is based on numerous factors, as described under "*Basis for Offer Price*" beginning on page 88, and may not be indicative of prices that will prevail in the open market following the Offer. The market price of our Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. As a result of these factors, we cannot assure you that investors will be able to resell their Equity Shares at or above the Offer Price.

52. *Investors may have difficulty enforcing foreign judgments against us or our management.*

The Company is a limited liability company incorporated under the laws of India. The majority of our directors and executive officers are residents of India. All of our assets and the assets of our Directors are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against us or such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 ("*CPC*"), on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the GoI has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties. Some jurisdictions including the United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the GoI to be reciprocating countries for the purposes of Section 44A of the CPC.

However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there may be considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian law. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

53. *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, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such resolution.

However, if the laws 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, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

54. *Any future issuance of Equity Shares or convertible securities or other equity linked securities by us may dilute your shareholding and sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.*

We may be required to finance our growth through future equity offerings. Any future issuance of our Equity Shares, convertible securities or securities linked to our Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in us. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in us. Any disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or encumber the Equity Shares in the future. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

55. *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.*

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of the Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

56. *Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.*

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

| | |
|--|---|
| Offer for Equity Shares | Upto 9,02,000 Equity Shares aggregating to ₹ 6,954.42 Lakhs |
| The Offer comprises of | |
| Fresh Issue ⁽¹⁾ | 6,71,853 Equity Shares aggregating to ₹ 5,179.99 Lakhs |
| Offer for Sale ^{(1) & (2)} | 2,30,147 Equity Shares aggregating to ₹ 1,774.43 Lakhs |
| Of which | |
| Reserved for the Market Maker | 45,100 Equity Shares aggregating to ₹ 347.72 Lakhs |
| Net Offer to the Public, out of which ⁽³⁾ | 8,56,900 Equity Shares aggregating to ₹ 6,606.70 Lakhs |
| (a) Retail Individual Investors | Upto 4,28,450 Equity Shares aggregating to ₹ 3,303.35 Lakhs |
| (b) Other than Retail Individual Investors | Upto 4,28,450 Equity Shares aggregating to ₹ 3,303.35 Lakhs |
| Pre and Post Offer Equity Shares | |
| Equity Shares outstanding prior to the Offer | 27,55,768 Equity Shares of face value of ₹ 10 each |
| Equity Shares outstanding after the Offer | 34,27,621 Equity Shares of face value of ₹ 10 each |
| Objects of the Offer / Use of Offer Proceeds | Please see the chapter titled “Objects of the Offer” on page 78 of this Prospectus for information about the use of Net Proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale. |

- (1) Offer for Sale and Fresh Issue of Equity Shares in terms of Prospectus has been authorized pursuant to a resolution passed by our Board of Directors dated April 12, 2023 and by special resolution passed at the Extra-Ordinary General Meeting of the members held on April 13, 2023 at shorter notice.
- (2) The Equity Shares being offered by the Selling Shareholder are eligible for being offered for sale as part of the Offer for Sale in terms of the SEBI ICDR Regulations. The Selling Shareholder confirms that it has authorized the sale of its portion of the Offered Shares in the Offer for Sale. For details, see “Other Regulatory and Statutory Disclosures - Authority for the Offer” on page 273 of this Prospectus.
- (3) This offer is being made in terms of Regulation 253(2) under Chapter IX of the SEBI ICDR Regulations, 2018, as amended from time to time, which reads as under:

“In an issue made other than through the book building process, the allocation in the net offer category shall be made as follows: x

(a) minimum fifty per cent to retail individual investors; and

(b) remaining to:

(i) individual applicants other than retail individual investors; and

(ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

Explanation - For the purpose of sub-regulation (2), if the retail individual investor category is entitled to more than fifty per cent. of the issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.”

For further details, please see the section titled “Offer Related Information” beginning on page 285 of this Prospectus.

SUMMARY OF RESTATED SUMMARY STATEMENTS

RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Amount in Rs. Lakhs, unless mentioned otherwise)

| PARTICULARS | Annexure Nos. | AS AT | | | |
|--|---------------|-----------------|------------------|-----------------|-----------------|
| | | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| A) EQUITY AND LIABILITIES | | | | | |
| 1. Shareholders' Funds | | | | | |
| (a) Share Capital | 7 | 248.58 | 248.58 | 248.58 | 248.58 |
| (b) Reserves & Surplus | 8 | 5,234.74 | 5,034.17 | 4,911.92 | 4,731.01 |
| Total (A) | | 5,483.31 | 5,282.75 | 5,160.50 | 4,979.58 |
| 2. Minority Interest (B) | 9 | 8.64 | 0.34 | 0.07 | - |
| 3. Non Current Liabilities | | | | | |
| (a) Long Term Borrowings | 10 | 859.97 | 1,121.50 | 720.85 | 750.21 |
| Total (C) | | 859.97 | 1,121.50 | 720.85 | 750.21 |
| 4. Current Liabilities | | | | | |
| (a) Short Term Borrowings | 11 | 2,201.16 | 2,322.55 | 2,219.87 | 978.33 |
| (b) Trade Payables | 12 | | | | |
| (i) total outstanding dues to micro enterprises and small enterprises | | - | - | - | - |
| (ii) total outstanding dues to creditor other than micro enterprises and small enterprises | | 942.85 | 1,264.83 | 646.45 | 843.38 |
| (c) Other Current Liabilities | 13 | 139.19 | 100.65 | 48.00 | 1,383.80 |
| (d) Short Term Provisions | 14 | 100.24 | 38.52 | 47.62 | 1.64 |
| Total (D) | | 3,383.45 | 3,726.55 | 2,961.94 | 3,207.14 |
| Total Equity and Liabilities (A+B+C+D) | | 9,735.37 | 10,131.13 | 8,843.36 | 8,936.94 |
| B) ASSETS | | | | | |
| 1. Non Current Assets | | | | | |
| (a) Property, Plant and Equipment and Intangible Assets | | | | | |
| i) Property, plant and equipment | 15A | 229.05 | 253.56 | 248.46 | 79.46 |
| ii) Intangible assets | 15B | 0.51 | 0.51 | 2.18 | 2.32 |
| iii) Capital work-in-progress | 15C | - | - | - | 161.71 |
| | | 229.56 | 254.06 | 250.65 | 243.49 |
| (b) Goodwill on Consolidation | 16 | 2.99 | 2.99 | 2.99 | 2.99 |
| (c) Long Term Loans and Advances | 17 | 54.41 | 49.97 | 47.01 | 55.05 |
| (d) Deferred Tax Asset (Net) | 18 | 672.22 | 693.89 | 717.24 | 749.73 |
| Total (A) | | 959.17 | 1,000.91 | 1,017.89 | 1,051.26 |
| 2. Current Assets | | | | | |
| (a) Inventories | 19 | 2,948.86 | 3,739.26 | 2,545.67 | 1,843.76 |
| (b) Trade Receivables | 20 | 3,257.30 | 1,952.68 | 1,921.49 | 1,689.69 |
| (c) Cash and Bank Balances | 21 | 415.73 | 1,434.29 | 1,299.50 | 221.84 |
| (d) Other Current Assets | 22 | 2,154.31 | 2,003.98 | 2,058.81 | 4,130.38 |
| Total (B) | | 8,776.20 | 9,130.22 | 7,825.47 | 7,885.68 |
| Total Assets (A+B) | | 9,735.37 | 10,131.13 | 8,843.36 | 8,936.94 |

RESTATED STATEMENT OF PROFIT & LOSS

(Amount in Rs. Lakhs, unless mentioned otherwise)

| PARTICULARS | | Annex ure Nos. | FOR THE PERIOD ENDED 31-Dec- 22 | FOR THE YEAR ENDED | | |
|-------------|--|----------------------|--|--------------------|------------------|-------------------|
| | | | | 31-Mar- 22 | 31-Mar- 21 | 31-Mar- 20 |
| 1 | Income | | | | | |
| (a) | Revenue From Operations | 23 | 31,798.26 | 40,326.68 | 30,087.50 | 89,620.14 |
| (b) | Other Income | 24 | 111.37 | 107.89 | 86.42 | 468.87 |
| 2 | Total Income (1a+1b) | | 31,909.63 | 40,434.57 | 30,173.92 | 90,089.01 |
| 3 | Expenditure | | | | | |
| (a) | Cost of raw material consumed | 25 | 19,373.65 | 17,412.54 | 5,201.11 | 4,643.02 |
| (b) | Purchases of Stock in Trade | 26 | 10,046.91 | 21,791.43 | 23,950.83 | 66,820.96 |
| (c) | Changes In Inventories Of Finished Goods, and Stock-In-Trade | 27 | 914.83 | (668.44) | (612.32) | 17,340.60 |
| (d) | Employee Benefit Expenses | 28 | 371.97 | 389.53 | 328.31 | 345.05 |
| (e) | Finance Cost | 29 | 222.00 | 213.09 | 80.65 | 1,124.12 |
| (f) | Depreciation & Amortization | 30 | 52.09 | 88.27 | 68.17 | 36.82 |
| (g) | Other Expenses | 31 | 690.56 | 1,051.71 | 909.07 | 2,637.97 |
| 4 | Total Expenditure 3(a) to 3(g) | | 31,672.02 | 40,278.14 | 29,925.82 | 92,948.55 |
| | Profit/(Loss) Before Exceptional and Extra-Ordinary Item | | 237.61 | 156.44 | 248.10 | (2,859.53) |
| | Exceptional Items | | - | - | - | - |
| 5 | Profit/(Loss) Before Tax (2-4) | | 237.61 | 156.44 | 248.10 | (2,859.53) |
| 6 | Tax Expense: | | | | | |
| (a) | Tax Expense For Current Year | | 26.12 | 19.06 | 27.71 | 1.64 |
| (b) | Short/(Excess) Provision of Earlier Year | | - | - | - | 32.45 |
| (c) | Deferred Tax | | 21.67 | 23.35 | 32.49 | (703.16) |
| | Net Current Tax Expenses | | 47.80 | 42.41 | 60.19 | (669.08) |
| 7 | Profit/(Loss) for the period from continuing operations (5-6) | | 189.82 | 114.03 | 187.90 | (2,190.46) |
| 8 | Profit allocated to: | | | | | |
| | - Owners of Parents | | 181.51 | 113.86 | 188.32 | (2,190.46) |
| | - Minority Interest | | 8.30 | 0.27 | (0.42) | - |
| | | | 189.82 | 114.03 | 187.90 | (2,190.46) |
| 9.1 | Restated Earning Per Share | | | | | |
| | Basic | Rs. | 7.64 | 4.59 | 7.56 | (88.12) |
| | Diluted | Rs. | 7.64 | 4.59 | 7.56 | (88.12) |

RESTATED STATEMENT OF CASH FLOWS

(Amount in Rs. Lakhs, unless mentioned otherwise)

| PARTICULARS | FOR THE YEAR ENDED | | | |
|---|--------------------|------------------|------------------|------------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| A) Cash Flow From Operating Activities : | | | | |
| Net Profit before tax | 237.61 | 156.44 | 248.10 | (2,859.53) |
| Adjustment for : | | | | |
| Depreciation | 52.09 | 88.27 | 68.17 | 36.82 |
| Interest Paid | 192.83 | 184.06 | 58.12 | 1,083.64 |
| Dividend Income | 0.23 | 0.23 | 0.02 | - |
| Interest Income | 4.91 | 19.11 | 24.64 | 370.04 |
| Operating profit before working capital changes | 487.67 | 448.11 | 399.05 | (1,369.04) |
| Changes in Working Capital | | | | |
| (Increase)/Decrease in Inventories | 790.40 | (1,193.59) | (701.91) | 17,340.60 |
| (Increase)/Decrease in Trade Receivables | (1,304.62) | (31.19) | (231.80) | (602.16) |
| (Increase)/Decrease in Long Term Loans & Advances | (4.44) | (2.96) | 8.04 | (24.02) |
| (Increase)/Decrease in Other Current Assets | (159.10) | (16.95) | 2,071.57 | (1,749.71) |
| Increase/(Decrease) in Trade Payables | (321.98) | 618.38 | (196.92) | 358.59 |
| Increase/(Decrease) in Other Current Liabilities | 38.54 | 52.65 | (1,335.79) | (1,342.01) |
| Increase/(Decrease) in Short Term Provisions | 61.62 | 7.24 | 30.94 | - |
| Increase/(Decrease) in Short Term Borrowings | (121.38) | 102.68 | 1,241.54 | (11,024.57) |
| Cash generated from operations | (533.28) | (15.65) | 1,284.70 | 1,587.69 |
| Direct Tax Paid / (Refund) [Net] | (17.35) | 36.49 | (12.66) | (209.33) |
| Cash Flow Before Extraordinary Item | (550.63) | 20.84 | 1,272.04 | 1,378.36 |
| Extraordinary Items | - | - | - | - |
| Net cash flow from operating activities | (550.63) | 20.84 | 1,272.04 | 1,378.36 |
| B) Cash Flow From Investing Activities : | | | | |
| Purchase/Sale of Property, Plant and Equipment | (27.59) | (91.69) | (73.61) | (190.59) |
| Purchase of Intangible Assets | - | - | (1.72) | (1.70) |
| Minority Interest | - | - | 0.49 | - |
| Dividend Income | (0.23) | (0.23) | (0.02) | - |
| Interest Income | (4.91) | (19.11) | (24.64) | (370.04) |
| Net cash flow from investing activities | (32.73) | (111.03) | (99.50) | (562.33) |
| C) Cash Flow From Financing Activities : | | | | |
| Increase/(Decrease) in Long Term Borrowings | (261.53) | 400.65 | (29.36) | 236.61 |
| Interest Paid | (192.83) | (184.06) | (58.12) | (1,083.64) |
| Net cash flow from financing activities | (454.36) | 216.59 | (87.49) | (847.03) |
| D) Change in Foreign Translation Reserve | 19.15 | 8.39 | (7.40) | 21.02 |
| Net Increase/(Decrease) In Cash & Cash Equivalents | (1,018.56) | 134.80 | 1,077.65 | (9.99) |
| Cash equivalents at the beginning of the year | 1,434.29 | 1,299.50 | 221.85 | 231.83 |
| Cash equivalents at the end of the year | 415.73 | 1,434.29 | 1,299.50 | 221.85 |
| Notes :- | | | | |
| | As At | | | |
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| 1. Component of Cash and Cash equivalents | | | | |
| Cash on hand | 64.94 | 9.27 | 7.22 | 2.98 |
| Balance With banks | 305.76 | 1,407.18 | 923.42 | 98.35 |
| Fixed Deposit | 45.03 | 17.84 | 368.86 | 120.51 |
| | 415.73 | 1,434.29 | 1,299.50 | 221.84 |
| Reconciliation of the movements of liabilities to cash flows arising from financing activities | | | | |
| PARTICULARS | FOR THE YEAR ENDED | | | |
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Opening balance | | | | |
| Working Capital Facility | 2,302.33 | 2,193.28 | 975.94 | 12,000.72 |
| Loan from Related Parties | 763.20 | 740.70 | 743.47 | 504.47 |

| | | | | |
|---------------------------|----------|----------|----------|-------------|
| Term Loan | 378.51 | 6.74 | 9.13 | 11.31 |
| Total | 3,444.05 | 2,940.72 | 1,728.55 | 12,516.50 |
| Movement | | | | |
| Cash flows ; | | | | |
| Working Capital Facility | (105.66) | 109.05 | 1,217.34 | (11,024.77) |
| Loan from Related Parties | (272.23) | 22.50 | (2.77) | 239.00 |
| Term Loan | (5.02) | 371.77 | (2.39) | (2.18) |
| Interest expenses | 192.83 | 184.06 | 58.12 | 1,083.64 |
| Closing Balance | | | | |
| Working Capital Facility | 2,196.67 | 2,302.33 | 2,193.28 | 975.94 |
| Loan from Related Parties | 490.97 | 763.20 | 740.70 | 743.47 |
| Term Loan | 373.49 | 378.51 | 6.74 | 9.13 |
| Total | 3,061.14 | 3,444.05 | 2,940.72 | 1,728.55 |

| | |
|-----|--|
| 2.1 | The Restated Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in AS 3, Statement of Cash Flows. |
| 2.2 | The above statement should be read with Basis of Preparation, Significant Accounting Policies and Notes to Restated Consolidated Financial Information appearing in Annexure 4 and Adjustments to Audited Consolidated Financial Statements appearing in Annexure 5 and Reconciliation of restated Equity/ Networth appearing in Annexure 6. |
| 2.3 | This is the Restated Consolidated Statement of Cash Flows referred to in our report of even date. |

GENERAL INFORMATION

Our Company was incorporated as “Manthan Agrocom Private Limited” at Mumbai as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated October 20, 2015, issued by the RoC. Subsequently, the name of our Company was changed from “Manthan Agrocom Private Limited” to “Proventus Agrocom Private Limited” and a fresh certificate of incorporation issued by RoC recording the change in name was issued on December 14, 2015. Subsequently, our Company was converted to a public limited company and the name of our Company changed to ‘Proventus Agrocom Limited’ and a fresh certificate of incorporation dated March 21, 2023 was issued by the RoC.

Corporate Identity Number and Registration number

Corporate Identity Number: U74999MH2015PLC269390

Registered Office

Unit 515, 5th Floor, C Wing
1 MTR Cabin, Atrium, Village Mulgaon
MV Road, Andheri (East), Near Acme Plaza
Mumbai - 400 069, Maharashtra, India

For further details of past changes in the registered office address of our Company, see “History and Certain Corporate Matters - Changes in our Registered Office” on page 134.

Registrar of Companies

Our Company is registered with the Registrar of Companies, Mumbai, Maharashtra, whose office is situated at:
100, Everest Building, Marine Drive
Mumbai - 400 002, Maharashtra, India
Tel.: + 91 22 2281 2627
E-mail: roc.mumbai@mca.gov.in

Filing of the Prospectus

A copy of the Prospectus will be uploaded on the SEBI intermediary portal at <https://siportal.sebi.gov.in> as specified in Regulation 246 of the SEBI ICDR Regulations and the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

It will also be filed with the Securities and Exchange Board of India at:

Securities and Exchange Board of India

Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, ‘G’ Block
Bandra Kurla Complex
Bandra (East)
Mumbai - 400 051
Maharashtra, India

The Prospectus will be filed with the RoC in accordance with Section 26 of the Companies Act, along with the material contracts and documents referred to in the Prospectus, respectively, and through the electronic portal.

Board of Directors

Details regarding our Board as on the date of this Prospectus are set forth below:

| Name | Designation | DIN | Address |
|-------------------------|-----------------------------------|----------|---|
| Ranganathan Subramanian | Chairman and Independent Director | 00125493 | A-407, Golf Scaape, Sunny Estate, Sion Trombay Road, Opp Diamond Garden, Chembur (East), Mumbai - 400 071 |
| Durga Prasad Jhawar | Managing Director & CEO | 02005091 | Flat No. 3001, Tower D, Milano Fiorenza CHSL, Near Hub Mall, Western Express Highway, Goregaon (East), Mumbai - 400 063 |

| Name | Designation | DIN | Address |
|--------------------------|--|----------|---|
| Deepak Kumar Agrawal | Whole Time Director | 07362004 | D/15, Mahindra Park, L B S Road, Narayan Nagar, Near Navy Organisation, Ghatkopar (West), Mumbai - 400 086 |
| Shalin Sanjiv Khanna | Whole Time Director | 06734684 | Purshottam Villa, 501, 5th Floor, 7th Road, Opp Khatwari Darbar, Khar (West), Mumbai - 400 052 |
| Swati Durgaprasad Jhawar | Non Executive Non Independent Director | 06446297 | Flat No. 3001, Tower D, Milano Fiorenza CHSL, Near Hub Mall, Western Express Highway, Goregaon (East), Mumbai - 400 063 |
| Sweta Jitendra Jain | Independent Director | 07241949 | 4102, Sienna Tower, Lodha Fiorenza, Western Express Highway, Near Hub Mall, Goregaon (East), Mumbai - 400 063 |

For further details of our Board, see “Our Management” on page 140.

Company Secretary and Compliance Officer

Pinal Rakesh Darji
Unit 515, 5th Floor, C Wing
1 MTR Cabin, Atrium, Village Mulgaon
MV Road, Andheri (East), Near Acme Plaza
Mumbai - 400 069, Maharashtra, India
Tel: +91 22 6211 0900
E-mail: cs@proventusagro.com

Chief Financial Officer

Ankush Bhagchand Jain
Unit 515, 5th Floor, C Wing
1 MTR Cabin, Atrium, Village Mulgaon
MV Road, Andheri (East), Near Acme Plaza
Mumbai - 400 069, Maharashtra, India
Tel: +91 22 6211 0900
E-mail: ankush.jain@proventusagro.com

Statutory Auditor

N B T and Co, Chartered Accountants
201, 2nd Floor, Mahindra M-Space, Off Aarey Road
Next to Meenatai Thackeray Blood Bank, Goregaon (West)
Mumbai, Maharashtra - 400 104, India
Tel: +91 80 9745 6165
E-mail: OfficeofNBT@nbtco.in / info@nbtco.in
Peer Review No: 013928
Firm Registration Number: 140489W
Contact Person: CA Ashutosh Biyani

Except as stated below, there have been no changes in the auditors of our Company during the three years preceding the date of this Prospectus:

| Name | Date of Change | Nature of / reason for change |
|---|-------------------|--|
| M/s N B T and Co, Chartered Accountants | February 08, 2023 | Appointment of peer reviewed Chartered Accountant |
| M/s Mukesh Chechani & Co, Chartered Accountants | February 04, 2023 | Resignation (since the firm didn't have peer review certification) |

Lead Manager

Sundae Capital Advisors Private Limited

Level 11, Platina
Plot No. C - 59, 'G' Block
Bandra Kurla Complex, Bandra (East)
Mumbai - 400 051, Maharashtra, India
Tel. No. +91 22 6884 1336
Email: prov.ipo@sundaecapital.com
Investor Grievance e-mail id: grievances.mb@sundaecapital.com
Website: www.sundaecapital.com
SEBI Regn. No.: INM000012494
Contact Person: Rajiv Sharma / Anchal Lohia

Legal Advisor to the Legal Chapters

Rajani Associates, Advocates and Solicitors

204-207, Krishna Chambers
59, New Marine Lines
Mumbai - 400 020
Tel. No. +91 22 4096 1000
Email: sangeeta@rajaniassociates.net
Website: www.rajaniassociates.net
Contact Person: Ms. Sangeeta Lakhi

Registrar to the Offer

Bigshare Services Private Limited

Office No. S6-2, 6th Floor
Pinnacle Business Park, Next to Ahura Centre
Mahakali Caves Road, Andheri (East)
Mumbai - 400 093, Maharashtra, India
Tel.: + 91 22 6263 8200
Fax: +91 22 6263 8299
E-mail ID: ipo@bigshareonline.com
Website: www.bigshareonline.com
SEBI Regn. No.: INR000001385
Contact Person: Babu Raphael

Escrow Collection Bank(s), Refund Bank, Public Offer Account Bank and Sponsor Bank

ICICI Bank Limited

5th Floor, HT Parekh Marg,
Backbay Reclamation,
Churchgate, Mumbai – 400 020
Tel : +91 22 226818923/924/933
Email : sagar.welkar@icicibank.com / ipocmg@icicibank.com
Contact Person: Sagar Welkar
Website: www.iciciban.com
SEBI Registration Number : INBI00000004

Bankers to the Company

Canara Bank

1st Floor, Narayan Building, Saki Naka
Mumbai - 400 072, Maharashtra, India
Tel.: + 91 22 2856 0943 / 2851 5470
E-mail ID: cb2411@canarabank.com
Website: www.canarabank.com
Contact Person: R K Rathore

IndusInd Bank Limited

Fort Branch, Premises No. 1
Sonawala Building, 61 Mumbai Samachar Marg
Fort, Mumbai-400 001
Tel.: + 91 98 2018 9141
E-mail ID: dharmendra.jakhodia@indusind.com
Website: www.indusind.com
Contact Person: Dharmendra Jakhodia

Kotak Mahindra Bank Limited

J B Nagar Branch, Centre Point Building
Ground Floor, Shop No. 1 to 4
Andheri Kurla Road, Andheri (East)
Mumbai - 400 059
Tel.: + 91 22 73 0445 3706
E-mail ID: virendra.a.gupta@kotak.com
Website: www.kotak.com
Contact Person: Virendra Gupta

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Applicant (other than a RIB using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Applicants may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is available on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>, respectively. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Syndicate SCSB Branches

In relation to Application Forms submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

Applicants can submit ASBA Forms in the Offer using the stockbroker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the respective Stock Exchanges at <https://www.bseindia.com> and <https://www.nseindia.com>, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the respective Stock Exchanges at <https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx> and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the respective Stock Exchanges at <https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx> and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts to the Offer

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

Our Company has received written consent dated May 17, 2023 from M/s N B T and Co, Chartered Accountants, to include their name as required under section 26(1) of the Companies Act, 2013 read with SEBI ICDR

Regulations in the Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor and in respect of their (i) examination report, dated May 17, 2023 on our Restated Consolidated Financial Statements; and (ii) their report dated May 17, 2023 on the Statement of Special Tax Benefits in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received written consent dated May 17, 2023 from M/s N B T and Co, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as an ‘expert’ as defined under Section 2(38) of Companies Act, 2013 in respect of the various other certificates issued by them to our Company and disclosed in the Prospectus.

In addition, we have also received written consent dated April 17, 2023 from Sapient Services Private Limited, to include his name as an “expert” as defined under section 2(38) and 26(5) and other applicable provisions of the Companies Act, 2013 to the extent and in their capacity as the independent chartered engineer and in respect of the certificates issued by him and the contents of which have been included in this Prospectus.

Such consents have not been withdrawn as on the date of this Prospectus. It is clarified, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

IPO Grading

No credit rating agency registered with SEBI has been appointed for grading the Offer.

Monitoring Agency

Our Company is not required to appoint monitoring agency for the purpose of the Offer

Appraising Entity

None of the objects for which the Net Proceeds are proposed to be utilised have been appraised by any agency.

Credit Rating

As this is an Offer of Equity Shares, there is no credit rating required for the Offer.

Debenture Trustees

As this is an Offer of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Type of Offer

The present Offer is undertaken as 100% Fixed Price Issue.

Offer Program

| Event | Indicative Dates |
|--|-------------------------|
| Offer Opening Date | May 24, 2023 |
| Offer Closing Date | May 26, 2023 |
| Finalization of Basis of Allotment with the Designated Stock Exchange | May 31, 2023 |
| Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account* | June 01, 2023 |
| Credit of Equity Shares to Demat accounts of Allottees | June 02, 2023 |
| Commencement of trading of the Equity Shares on the Stock Exchange | June 05, 2023 |

* In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. For details refer to Section titled “Other Regulatory and Statutory Disclosure - Redressal of Investor Grievances” on page 280 of the Prospectus.

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and

the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Offer Closing Date, the timetable may change due to various factors, such as extension of the Offer Period by our Company, revision of the Offer Price or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Offer Period (except for the Offer Closing Date). On the Offer Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicant on Offer Closing Date maybe extended in consultation with the Lead Manager, RTA and NSE EMERGE taking into account the total number of applications received up to the closure of timings

Due to the limitation of time available for uploading the Application Forms on the Offer Closing Date, Applicants are advised to submit their applications one (1) day prior to the Offer Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Offer Closing Date. Any time mentioned in this Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Offer Closing Date, as is typically experienced in public Offer, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Offer. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the Lead Manager is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Offer Closing Date. Allocation to Retail Individual Applicants, in this Offer will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Offer shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

WITHDRAWAL OF THE OFFER

Our Company in consultation with the Lead Manager, reserve the right not to proceed with the offer at any time before the Offer Opening Date without assigning any reason thereof.

If our Company withdraw the offer any time after the Offer Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Offer Closing Date, providing reasons for not proceeding with the Offer shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-offer advertisements have appeared and the Stock Exchange will also be informed promptly. The LM, through the Registrar to the Offer, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraw the offer after the Offer Closing Date and subsequently decides to proceed with an offer of the Equity Shares, our Company will have to file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the offer is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares offered through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriting Agreement is dated May 17, 2023. The Underwriter have indicated their intention to underwrite the following number of Equity Shares:

| Name, address, telephone number and e-mail address of the Underwriter | Indicative number of Equity Shares to be underwritten * | Amount underwritten (in ₹ lakhs) | % of Offer underwritten |
|--|--|---|--------------------------------|
| Sundae Capital Advisors Private Limited Level 11, Platina Plot No. C - 59, 'G' Block Bandra Kurla Complex, Bandra (East) Mumbai - 400 051, Maharashtra, India Tel. No. +91 22 6884 1336 Email: prov.ipo@sundaecapital.com Investor Grievance e-mail id: grievances.mb@sundaecapital.com Website: www.sundaecapital.com SEBI Regn. No.: INM000012494 Contact Person: Rajiv Sharma / Anchal Lohia | 9,02,000 | 6,954.42 | 100.00% |
| Total | 9,02,000 | 6,954.42 | 100.00% |

* Includes 45,100 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the aforementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The aforementioned Underwriter is registered with SEBI as merchant banker. Our Board of Directors, at its meeting held on May 17, 2023, approved the acceptance and entering into the Underwriting Agreement mentioned above on behalf of our Company.

In accordance with Regulation 260(2) of the SEBI ICDR Regulations, the Offer has been 100% underwritten and shall not restrict to the minimum subscription level. Our Company shall ensure that the Lead Manager to the Offer have underwritten at least 15% of the total Offer Size.

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS OFFER

Our Company and the Lead Manager has entered into Market Making Agreement dated May 17, 2023 with the following Market Maker, to fulfil the obligations of Market Making for this Offer:

Ajcon Global Services Limited

408, Express Zone, A Wing
 Cello-Sonal Realty, Near Oberoi Mall
 Western Express Highway, Goregaon (East)
 Mumbai - 400 063, Maharashtra, India
 Tel: +91 22 67 16 0400
 Email: mbd@ajcon.net
 Website: www.ajcononline.com
 Contact Person: Puspraj Pandey
 SEBI Registration No.: INZ000173933
 NSE Clearing Number: 06376

Ajcon Global Services Limited, registered with NSE Emerge Platform will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

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

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of NSE Emerge and SEBI from time to time.
3. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to issue their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ 771 per share the minimum Lot Size is 160 Equity Shares thus minimum depth of the quote shall be 1,23,360 until the same, would be revised by NSE.
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Offer over and above 25% equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
6. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the company will be placed in Special Pre-Open Session (SPOS) and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity shares on the Stock Exchange.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non- controllable reasons would be final.
8. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and NSE Emerge from time to time.
9. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
10. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
11. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on NSE Emerge and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
12. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
13. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

14. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Company, who shall then be responsible to appoint a replacement Market Maker.
15. In case of termination of the abovementioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Company to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI ICDR Regulations. Further the Company reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.
16. Risk containment measures and monitoring for Market Maker: NSE Emerge will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
17. Punitive Action in case of default by Market Maker: NSE Emerge will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
18. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.
19. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to ₹ 250 Crores, the applicable price bands for the first day shall be:
- In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

20. The following spread will be applicable on the SME Exchange Platform.

| Sr. No. | Market Price Slab (in ₹) | Proposed spread (in % to sale price) |
|---------|--------------------------|--------------------------------------|
| 1 | Up to 50 | 9 |
| 2 | 50 to 75 | 8 |
| 3 | 75 to 100 | 6 |
| 4 | Above 100 | 5 |

21. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Market Maker during market making process has been made applicable, based on the Offer Size and as follows:

| Offer Size | Buy quote exemption threshold (including mandatory initial inventory of 5% of the Offer Size) | Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Offer Size) |
|--------------------|---|--|
| Up to ₹ 20 Crore | 25% | 24% |
| ₹ 20 to ₹ 50 Crore | 20% | 19% |

| | | |
|--------------------|-----|-----|
| ₹ 50 to ₹ 80 Crore | 15% | 14% |
| Above ₹ 80 Crore | 12% | 11% |

22. The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI/ NSE from time to time.
23. All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Prospectus, is set forth below.

| (in ₹, except share data) | | | |
|---------------------------|---|-------------------------|--------------------------------|
| Sr. No. | Particulars | Aggregate nominal value | Aggregate value at Offer Price |
| A | Authorised Share Capital | | |
| | 50,00,000 Equity Shares having Face Value of ₹ 10 each | 5,00,00,000 | - |
| B | Issued, Subscribed and Paid up Share Capital before the Offer | | |
| | 27,55,768 Equity Shares having Face Value of ₹ 10 each | 2,75,57,680 | - |
| C | Present Offer | | |
| | Of which | | |
| | Fresh Issue of up to 6,71,853 Equity Shares having Face Value of ₹ 10 each | 67,18,530 | 5,179.99 |
| | Offer for Sale of up to 2,30,147 Equity Shares having Face Value of ₹ 10 each | 23,01,470 | 1,774.43 |
| | Which includes | | |
| | Reserved for the Market Maker for 45,100 Equity Shares having Face Value of ₹ 10 each | 4,51,000 | 347.72 |
| | Net Offer to the public for 8,56,900 Equity Shares having Face Value of ₹ 10 each | 85,69,000 | 6,606.70 |
| D | Issued, Subscribed and Paid up Share Capital after the Offer | | |
| | 34,27,621* Equity Shares having Face Value of ₹ 10 each | 3,42,76,210 | - |
| E | Securities Premium Account | | |
| | Before the Offer (in ₹ lakhs) | | 5,489.43 |
| | After the Offer* (in ₹ lakhs) | | 10,602.23# |

* To be updated upon finalisation of the Offer Price, and subject to the Basis of Allotment

Before adjustment of expenses towards the Offer

- (1) The Offer including the Fresh Issue of up to 6,71,853 Equity Shares has been authorised by our Board pursuant to the resolution passed at their meeting dated April 12, 2023 and by our Shareholders pursuant to the special resolution passed at their extraordinary general meeting held on April 13, 2023 at shorter notice.
- (2) The Selling Shareholders have severally and not jointly confirmed and approved their respective participation in the Offer for Sale and their respective eligibility to participate in the Offer for Sale in accordance with the SEBI ICDR Regulations for an aggregate of 2,30,147 Equity Shares. For further details, see “The Offer” and “Other Regulatory and Statutory Disclosures” on pages 53 and 273 respectively.
- (3) For details in relation to the changes in the authorised share capital of our Company since incorporation, see ‘History and Certain Corporate Matters - Amendments to our Memorandum of Association’ on page 134.

Notes to the Capital Structure

1. History of Equity Share Capital of our Company

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

| Date of allotment | No of equity shares allotted | Face Value per Equity Share (₹) | Offer price per Equity Share (₹) | Form of consideration | Nature of allotment | Cumulative number of equity shares (₹) | Name of allottees |
|-------------------|------------------------------|---------------------------------|----------------------------------|-----------------------|---|--|---|
| October 20, 2015 | 10,000 | 10 | 10 | Cash | Subscription to the Memorandum of Association | 10,000 | Allotment of 5,000 Shares to Durga Prasad Jhawar and 5,000 Shares to Shalin Sanjiv Khanna (as initial subscribers to the Memorandum of Association) |

| Date of allotment | No of equity shares allotted | Face Value per Equity Share (₹) | Offer price per Equity Share (₹) | Form of consideration | Nature of allotment | Cumulative number of equity shares (₹) | Name of allottees |
|-------------------|------------------------------|---------------------------------|----------------------------------|-----------------------|------------------------|--|--|
| March 29, 2016 | 3,50,100 | 10 | 197 | Cash | Preferential Allotment | 3,60,100 | Allotment to 3,24,720 Shares to Shree JMD Investment Advisors LLP and 25,380 Shares to Anuradha Soni |
| March 31, 2016 | 1,34,518 | 10 | 197 | Cash | Preferential Allotment | 4,94,618 | Allotment to Shree JMD Investment Advisors LLP |
| July 18, 2016 | 17,64,150 | 10 | 205 | Cash | Rights Issue | 22,58,768 | Allotment of 17,64,150 Shares to Shree JMD Investment Advisors LLP ¹ |
| June 09, 2017 | 1,97,000 | 10 | 240 | Cash | Preferential Allotment | 24,55,768 | Allotment of 1,25,000 Shares to Guruprasad Rao, 20,000 Shares to Manish Bhagchand Jain HUF, 30,000 Shares to Ankush Bhagchand Jain HUF, 2000 Shares to Ritu Tarun Agrawal, 4,000 Shares to Manoj Bahety, 8,000 Shares to Sanjiv Jagdish Khanna and 8,000 Shares to Sachin Jain |
| June 20, 2017 | 3,00,000 | 10 | 240 | Cash | Rights Issue | 27,55,768 | Allotment of 3,00,000 Shares to Shree JMD Investment Advisors LLP ² |

¹ The said equity Shares were allotted as partly paid up equity shares with face value ₹ 3 (Rupees Three only) and securities premium of ₹ 62 (Rupees Sixty Two only) paid up on allotment. Balance amount towards face value and premium aggregating to ₹ 85 (Rupees Eighty Five only) per Equity Share was accounted for by the Company towards share capital on March 31, 2017 and ₹ 55 (Rupees Fifty Five only) per Equity Share was accounted for by the Company towards share capital on April 17, 2017 and accordingly the Equity Shares were converted as fully paid up.

² The said equity Shares were allotted as partly paid up equity shares with face value ₹ 1 (Rupee One only) and securities premium of ₹ 11 (Rupees Eleven only) paid up on allotment. Balance amount towards face value and premium aggregating to ₹ 228 (Rupees Two Hundred Twenty Eight only) per Equity Share was received by the Company towards share capital on January 23, 2023 and accordingly the Equity Shares were converted as fully paid up.

2. Shares issued for consideration other than cash or out of revaluation reserves

Our Company has not issued any Equity Shares for consideration other than cash, since its incorporation. Further, our Company has not issued any Equity Shares out of revaluation of reserves since its incorporation.

3. Issue of Equity Shares pursuant to scheme of arrangement

Our Company has not allotted any Equity Shares or Preference Shares pursuant to any scheme of arrangement approved under Sections 230-234 of the Companies Act, 2013.

4. Issue of Equity Shares at a price lower than the Offer Price in the last one year

Our Company has not issued any Equity Shares during the period of one year preceding the date of this Prospectus at a price which may be lower than the Offer Price.

5. History of build-up of Promoters and Promoter Group shareholding and lock-in of Promoters' shareholding (including Promoters' contribution)

As on the date of this Prospectus, our Promoters hold, in aggregate, 25,43,386 Equity Shares, which constitute 92.29% of the issued, subscribed and paid-up Equity Share capital of our Company prior to the Offer. The details regarding our Promoter and Promoter Group shareholding is set out below:

(a) Build-up of Promoter and Promoter Group shareholding in our Company

Set forth below is the build-up of our Promoter's shareholding since the incorporation of our Company:

| Date of allotment / transfer | No. of Equity Shares allotted | Face Value per Equity Share (₹) | Issue / acquisition / transfer price per Equity Share (₹) | Nature of consideration | Nature of transaction | % of the pre Offer Equity Share Capital | % of the post Offer Equity Share Capital |
|--|-------------------------------|---------------------------------|---|-------------------------|---|---|--|
| Durga Prasad Jhawar | | | | | | | |
| October 20, 2015 | 5,000 | 10 | 10 | Cash | Subscription to the Memorandum of Association | 0.18 | 0.15 |
| Shalin Sanjiv Khanna | | | | | | | |
| October 20, 2015 | 5,000 | 10 | 10 | Cash | Subscription to the Memorandum of Association | 0.18 | 0.15 |
| December 19, 2016 | (1) | 10 | 240 | Cash | Transfer of share | (0.00) | (0.00) |
| December 19, 2016 | (1) | 10 | 240 | Cash | Transfer of share | (0.00) | (0.00) |
| April 30, 2022 | 1,42,191 | 10 | 206 | Cash | Transfer of shares * | 5.16 | 4.15 |
| Deepak Kumar Agrawal | | | | | | | |
| April 30, 2022 | 2,08,375 | 10 | 206 | Cash | Transfer of shares * | 7.56 | 6.08 |
| Shree JMD Investment Advisors LLP | | | | | | | |
| March 29, 2016 | 3,24,720 | 10 | 197 | Cash | Preferential Allotment | 11.78 | 9.47 |
| March 31, 2016 | 1,34,518 | 10 | 197 | Cash | Preferential Allotment | 4.88 | 3.92 |
| July 18, 2016 | 17,64,150 | 10 | 205 | Cash | Rights Issue | 64.02 | 51.47 |
| June 20, 2017 | 3,00,000 | 10 | 240 | Cash | Rights Issue | 10.89 | 8.75 |
| April 30, 2022 | (1,42,191) | 10 | 206 | Cash | Transfer of shares * | (5.16) | (4.15) |
| April 30, 2022 | (2,08,375) | 10 | 206 | Cash | Transfer of shares * | (7.56) | (6.08) |

* The acquisition of 1,42,191 Equity Shares by Shalin Sanjiv Khanna and 2,08,375 Equity Shares by Deepak Kumar Agrawal was pursuant to their retirement from Shree JMD Investment Advisors LLP. For details of re-constitution of Shree JMD Investment Advisors LLP, refer to Chapter titled "Our Promoter and Promoter Group - Disassociation by Promoters in the last three years" on page 160 of the Prospectus.

As of the date of this Prospectus, none of the Equity Shares held by our Promoters and Promoter Group are pledged or are otherwise encumbered.

(b) Details of minimum Promoters' contribution locked in for thirty six months or any other period as may be prescribed under applicable law

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be considered as minimum promoters' contribution and locked-in for a period of three years from the date of allotment of equity shares issued pursuant to this Offer ("**Promoter's Contribution**"). The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have given written consent to include such number of Equity Shares held by them, in aggregate, as a part of Promoters' Contribution constituting 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoter's Contribution. Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of the Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations. Details of Promoters' Contribution are as provided below:

| Name of the Promoter | No. of Equity Shares locked-in | Date of allotment / transfer | Face Value per Equity Share (₹) | Issue / acquisition / transfer price per Equity Share (₹) | Nature of transaction | % of the post Offer Equity Share Capital | Lock-in period |
|-----------------------------------|--------------------------------|------------------------------|---------------------------------|---|------------------------|--|----------------|
| Shree JMD Investment Advisors LLP | 3,24,720 | March 29, 2016 | 10 | 197 | Preferential Allotment | 9.47 | 3 years |
| | 1,34,518 | March 31, 2016 | 10 | 197 | Preferential Allotment | 3.92 | 3 years |
| | 2,26,287 | July 18, 2016 | 10 | 205 | Rights Issue | 6.60 | 3 years |
| Total → | 6,85,525 | | | | | 20.00 | |

Our Promoters have confirmed to our company and the Lead Manager that the acquisition of equity shares held by our promoters has been financed from their internal accruals and no loans or financial assistance from any banks or financial institutions have been availed of by them for this purpose.

The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI (ICDR) Regulations. The Equity Shares that are being locked in are not ineligible for computation of Promoters' contribution in terms of Regulation 237 of the SEBI ICDR Regulations. In connection, we confirm the following: -

- (a) The Equity Shares offered for minimum 20% Promoters' contribution have not been acquired in the three years preceding the date of this Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
- (b) The minimum Promoters' contribution does not include Equity Shares acquired during the one year preceding the date of this Prospectus at a price lower than the Offer Price;
- (c) Our Company has not been formed by the conversion of a partnership firm into a Company and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm;
- (d) The Equity Shares held by the Promoters and offered for minimum Promoters' contribution are not subject to any pledge;
- (e) All the Equity Shares of our Company held by the Promoter are held in dematerialized form prior to filing of this Prospectus; and
- (f) The Equity Shares offered for Promoters' contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoters for inclusion of its subscription in the Promoters' contribution subject to lock-in
- (c) Details of share capital locked in for one year or any other period as may be prescribed under applicable law

In terms of the SEBI ICDR Regulations, except for the Promoters' Contribution which shall be locked in as above the entire pre-Offer Equity Share capital of our Company (including those Equity Shares held by our Promoters in excess of Promoter's Contribution), shall be locked in for a period of one year from the date of Allotment as provided in clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018.

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-offer capital held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer. Accordingly, 212,382 Equity shares held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer.

- (d) In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "NonTransferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the depository.
- (e) Pledge of locked-in Equity Shares

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoters and locked in may be pledged as a collateral security for a loan granted by a scheduled commercial bank or public financial institution or a systemically important non-banking finance company or housing finance company, subject to following;

- In case of Minimum Promoters' Contribution, the loan has been granted to the issuer company or its subsidiary(ies) for the purpose of financing one or more of the Objects of the Offer and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoters in excess of Minimum Promoters' contribution, the pledge of equity shares is one of the terms of sanction of the loan. However, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

(f) Transferability of Locked in Equity Shares

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable;

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoter or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lockin period stipulated has expired.

We further confirm that our Promoters contribution of 20% of the post offer equity share capital does not include any contribution from Alternative Investment Fund, Foreign Venture Capital Investors, Scheduled Commercial Banks, Public Financial Institutions or Insurance Companies registered under IRDA.

(g) Sales or purchases of Equity Shares or other specified securities of our Company by our Promoter, the members of our Promoter Group and/or our Directors and their relatives during the six months immediately preceding the date of the Prospectus.

None of our Promoter, members of our Promoter Group, and/or our Directors and their relatives have sold or purchased any Equity Shares or other specified securities of our Company during the six months immediately preceding the date of the Prospectus.

6. Shareholding Pattern of our Company

(i) The table below presents the shareholding pattern of our Company as on the date of this Prospectus:

| Category | Category of shareholders | No. of shareholders | No. of fully paid up Equity Shares held | No. of partly paid up Equity Shares held | No. of shares underlying Depository Receipts | Total no. of shares held | Share-holding as a %age of total no. of shares (calculated as per SCRR, 1957) | No. of voting rights held in each class of securities | | | No. of shares underlying outstanding convertible securities (including warrants) | Shareholding as % assuming full conversion of convertible securities (as a % of diluted share capital) | No. of locked in shares | | No. of shares pledged | | No. of Equity Shares held in dematerialised form | |
|----------|-------------------------------|---------------------|---|--|--|--------------------------|---|---|----------------------|------------------|--|--|--------------------------------------|----------|---------------------------------|----------|--|---------------------------------|
| | | | | | | | | (as a % of (A+B+C)) | No. of voting rights | | | | Total as % of (A+B+C) | No. (a) | As a % of total shares held (b) | No. (a) | | As a % of total shares held (b) |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = IV + V + VI | (VIII) | Class (Equity) | Class Y | Total | (IX) | (X) | (XI) = (VII) + (X) as a % of (A+B+C) | (XII) | | (XIII) | | (XIV) |
| (A) | Promoter & Promoter Group* | 6 | 25,43,386 | - | - | 25,43,386 | 92.29 | 25,43,386 | - | 25,43,386 | 92.29 | - | - | - | - | - | - | 25,43,386 |
| (B) | Public | 12 | 2,12,382 | - | - | 2,12,382 | 7.71 | 2,12,382 | - | 2,12,382 | 7.71 | - | - | - | - | - | - | 2,12,382 |
| (C) | Non promoter non public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Shares held by Employee trust | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | 18 | 27,55,768 | - | - | 27,55,768 | 100.00 | 27,55,768 | - | 27,55,768 | 100.00 | - | - | - | - | - | - | 27,55,768 |

7. Details of equity shareholding of the major shareholders of our Company:

- (a) Set forth below is a list of shareholders holding 1% or more of the issued and paid-up equity share capital of our Company, as on the date of this Prospectus:

| Sr. No. | Name of the shareholder | No. of Equity Shares held | Percentage of the pre-Offer equity share capital * |
|---------|-----------------------------------|---------------------------|--|
| 1 | Shree JMD Investment Advisors LLP | 21,72,822 | 78.85 |
| 2 | Deepak Kumar Agrawal | 2,08,375 | 7.56 |
| 3 | Shalin Sanjiv Khanna | 1,47,189 | 5.34 |
| 4 | Guruprasad Rao | 95,001 | 3.45 |
| 5 | Anuradha Soni | 36,380 | 1.32 |
| 6 | Ankush Bhagchand Jain HUF | 36,000 | 1.31 |

* Calculated on the basis of total Equity Shares issued as on date. There are no vested outstanding options.

- (b) Set forth below is a list of shareholders holding 1% or more of the issued and paid-up equity share capital of our Company, as of 10 days prior to the date of this Prospectus:

| Sr. No. | Name of the shareholder | No. of Equity Shares held | Percentage of the pre-Offer equity share capital * |
|---------|-----------------------------------|---------------------------|--|
| 1 | Shree JMD Investment Advisors LLP | 21,72,822 | 78.85 |
| 2 | Deepak Kumar Agrawal | 2,08,375 | 7.56 |
| 3 | Shalin Sanjiv Khanna | 1,47,189 | 5.34 |
| 4 | Guruprasad Rao | 95,001 | 3.45 |
| 5 | Anuradha Soni | 36,380 | 1.32 |
| 6 | Ankush Bhagchand Jain HUF | 36,000 | 1.31 |

* Calculated on the basis of total Equity Shares issued as on date. There are no vested outstanding options.

- (c) Set forth below is a list of shareholders holding 1% or more of the issued and paid-up equity share capital of our Company, as of one year prior to the date of this Prospectus:

| Sr. No. | Name of the shareholder | No. of Equity Shares held | Percentage of the pre-Offer equity share capital * |
|---------|------------------------------------|---------------------------|--|
| 1 | Shree JMD Investment Advisors LLP# | 25,23,388 | 91.57 |
| 2 | Guruprasad Rao | 1,25,001 | 4.54 |
| 3 | Ankush Bhagchand Jain HUF | 30,000 | 1.09 |

* Calculated on the basis of total Equity Shares issued as on date. There are no vested outstanding options.

includes 3,00,000 partly paid up Equity Shares as ₹ 1 towards face value and ₹ 11 towards securities premium per Equity Share against the allotment price of ₹ 240 per Equity Share, including securities premium of ₹ 230 per Equity Share.

- (d) Set forth below is a list of shareholders holding 1% or more of the issued and paid-up equity share capital of our Company, as of two years prior to the date of this Prospectus:

| Sr. No. | Name of the shareholder | No. of Equity Shares held | Percentage of the pre-Offer equity share capital * |
|---------|------------------------------------|---------------------------|--|
| 1 | Shree JMD Investment Advisors LLP# | 25,23,388 | 91.57 |
| 2 | Guruprasad Rao | 1,25,001 | 4.54 |
| 3 | Ankush Bhagchand Jain HUF | 30,000 | 1.09 |

* Calculated on the basis of total Equity Shares issued as on date. There are no vested outstanding options.

includes 3,00,000 partly paid up Equity Shares as ₹ 1 towards face value and ₹ 11 towards securities premium per Equity Share against the allotment price of ₹ 240 per Equity Share, including securities premium of ₹ 230 per Equity Share.

8. Except for the allotment of Equity Shares upon exercise of options vested pursuant to the ESOP Schemes, the Fresh Issue, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or otherwise.
9. As on the date of filing of this Prospectus, the total number of Shareholders of our Company is 18.
10. As on the date of this Prospectus, all Equity Shares held by our Promoters are held in dematerialized form.
11. None of our Promoters, member of our Promoter Group or any of the Directors or their relatives, as applicable, have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Prospectus.
12. There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives, have financed the purchase by any other person of securities of our Company, other than the normal course of business, during a period of six months immediately preceding the date of filing of this Prospectus.
13. Our Company, any of our Directors and the Lead Manager have not entered into any buy back arrangements for purchase of Equity Shares from any person.
14. The Equity Shares issued and transferred pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Prospectus.
15. Our Promoter and Promoter Group will not participate in this Offer except to the extent of shares being sold by the Promoter Selling Shareholder in Initial Public Offer.
16. No person connected with the Offer shall offer or make payment of any incentive, whether direct or indirect, in any manner, whether in cash or kind or otherwise, to any Applicant for making an Application, except for fees or commission for services rendered in relation to the Offer.
17. As on the date of this Prospectus, the Lead Manager and their respective associates (as defined in the SEBI Merchant Bankers Regulations) do not hold any Equity Shares of our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
18. Except as disclosed in this section, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares as on the date of this Prospectus.
19. Stock Incentive Plan of our Company

As on the date of this Prospectus, our Company has implemented a Stock Incentive Scheme pursuant to which 1,00,000 Equity Shares have been reserved which can be issued under the said stock incentive scheme. The details of the Stock Incentive Scheme implemented by our Company is as under:

(a) Proventus Agrocom Private Limited Stock Incentive Plan, 2022” (“Plan” / “PAPL SIP 2022”)

Our Company adopted the PAPL SIP 2022 pursuant to the resolution passed by our Board on November 01, 2022 and the resolution passed by the Shareholders on December 09, 2022. The PAPL SIP 2022 is in compliance with the SEBI SBEB & SE Regulations.

The purpose of the ESOP Scheme is to attract, reward, motivate and retain its key employees for high levels of individual performance and for unusual efforts to improve the financial performance of our Company, which will ultimately contribute to the success of our Company. Our Board is authorised to issue an aggregate of 1,00,000 employee stock options to employees, exercisable into not more than 1,00,000 fully-paid up Equity Shares, with each option conferring a right upon employees to apply for

one Equity Share, in accordance with the provisions of the PAPL SIP 2022 and the terms and conditions as may be fixed or determined by the Board. As on the date of this Prospectus, 38,700 options have been granted by our Company under the PAPL SIP 2022. Prior to March 31, 2022, there was no stock option scheme implemented by the Company. The details of the PAPL SIP 2022 are as follows:

| Particulars | Details |
|---|---|
| Total options granted | 38,700 |
| Exercise price of options in ₹ (as on the date of grant options) (per option) | ₹ 250 |
| Options forfeited / lapsed / cancelled | Nil |
| Variation of terms of options | Nil |
| Money realized by exercise of Options | Nil |
| Total number of options outstanding in force | 38,700 |
| Total options vested (excluding the options that have been exercised) | Nil |
| Options exercised | Nil |
| The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised) | Nil |
| Employee wise details of options granted to: | |
| Key managerial Personnel | |
| Ankush Bhagchand Jain | 12,000 |
| Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year | |
| Abhishek Ostwal | 10,000 |
| Rahul Chaudhary | 5,000 |
| Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant | Nil |
| Diluted earnings per share pursuant to the issue of Equity Shares on exercise of options | NA |
| Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of the Company and on the earnings per share of the Company | The Company has calculated the employee compensation cost using the fair value of the stock (not on intrinsic value). Hence no impact on the profits of the Company. |
| Description of the pricing formula and method and significant assumptions used to estimate the fair value of options granted during the year including, weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in the market at the time of grant of option | Refer Note 1 |
| Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies specified in the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 had been followed, in respect of options granted in the last three years | The Company already follows the accounting policies as prescribed in the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and hence no impact on the profits and the EPS. |
| Intention of key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer | KMPs may, subject to market conditions, may sell Equity Shares allotted on the exercise of their options, in full or in part, post-listing of the Equity Shares of the Company and the quantum of sale of such Equity Shares is undecided |

Note 1: Fair value of share options granted during the period

The options granted by the Company were priced using a Black Scholes option valuation model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non transferability, exercise restrictions and behavioural considerations. Expected volatility is based on the historical share price volatility of guideline companies in developed and developing countries.

| Grant Date | December 09, 2022 | | | |
|---|-------------------|---------|---------|---------|
| No. of options granted | 38,700 | | | |
| Vesting Period | Year 1 | Year 2 | Year 3 | Year 3 |
| Vesting %age | 25% | 25% | 25% | 25% |
| Grant Price | 250.00 | 250.00 | 250.00 | 250.00 |
| Fair value of Equity Shares on the date of grant of Options | 262.40 | 262.40 | 262.40 | 262.40 |
| Expected Volatility | 16.39% | 21.89% | 20.22% | 10.00% |
| Option Life | 2 years | 2 years | 2 years | 2 years |
| Dividend yield | 0.00% | 0.00% | 0.00% | 0.00% |
| Risk Free Rate of Interest | 6.76% | 6.96% | 7.10% | 7.19% |
| Fair value of stock options (as per Black Scholes option valuation model) | 50.75 | 72.35 | 84.47 | 95.94 |

SECTION IV: PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue and an Offer for Sale.

Offer for Sale

The object of the Offer for Sale is to allow the Selling Shareholders to sell 2,30,147* Equity Shares held by them aggregating to ₹ 1,774.43 lakhs. Our Company will not receive any proceeds from the Offer for Sale.

** Subject to finalization of the Basis of Allotment*

Each Selling Shareholder shall be entitled to its respective portion of the proceeds of the Offer for Sale, net of their proportion of Offer-related expenses and the relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. Other than the listing fees for the Offer and stamp duty on issuance of Equity Shares, which will be solely borne by our Company, and the stamp duty payable on transfer of Equity Shares and securities transaction tax which will be solely borne by the Selling Shareholders, all cost, fees and expenses in respect of the Offer will be shared amongst our Company and the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholders in the Offer for Sale, irrespective of the success of the Offer. For further details, see “Objects of the Offer - Offer expenses” on page 85.

Fresh Issue

The details of the proceeds of the Fresh Issue are set forth below:

| (₹ in lakhs) | |
|---|------------------|
| Particulars | Estimated amount |
| Gross Proceeds from the Fresh Issue | 5,179.99 |
| (Less) Expenses in relation to the Fresh Issue (on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Selling Shareholders in the Offer for Sale excluding listing fees for the Offer and stamp duty on issuance of Equity Shares) | 125.25 |
| Net Proceeds from the Fresh Issue | 5,054.74 |

Requirement of funds and utilization of Net Proceeds

To grow our business, we intend to continue to invest in marketing, which will lead to higher brand recall and acquisition of new customers for existing brands as well as any new brands that we may launch in the future. We follow a consumer centric and data-led contextualized approach to marketing, and continuous two-way engagement with our consumers is an integral part of our business model. For further details, please see “Our Business - Our Strengths” on page 119 of this Prospectus.

We propose to utilise the Net Proceeds towards funding the following objects (collectively, the “Objects”):

1. Funding working capital requirements of our Company;
2. Funding working capital requirements of our material subsidiary namely, Prov Foods Private Limited; and
3. General Corporate Purposes.

The Net Proceeds are proposed to be utilised in the following manner:

| (₹ in lakhs) | |
|--|------------------|
| Particulars | Estimated amount |
| Funding working capital requirements of our Company | 990.77 |
| Funding working capital requirements of our material subsidiary namely, Prov Foods Private Limited | 2,986.29 |
| General Corporate Purposes | 1,077.68 |
| Total | 5,054.74 |

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

The main objects clause of the Memorandum of Association enables our Company and our Subsidiary, ProV Foods to: (i) to undertake its existing business activities; and (ii) undertake the activities proposed to be funded from the Net Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects of the Offer in the financial year 2023-24.

The deployment of funds indicated above is based on management estimates, current circumstances of our business and prevailing market conditions, all of which are subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/ exchange rate fluctuations and other external factors, which may not be within the control of our management. In the event that estimated utilization out of the Net Proceeds in a Fiscal Year is not completely met, the same shall be utilized in the next Fiscal Year. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For details, see "*Risk Factors*" on page 25.

If the actual utilisation towards any of the Objects is lower than the proposed deployment, subject to applicable law, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Fresh Issue in accordance with Regulation 230(2) of the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Offer.

Means of finance

The entire fund requirements set out above are proposed to be funded from the Net Proceeds and hence, no amount is proposed to be raised through any other means of finance. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue.

Subject to applicable law, if the actual utilisation towards the Objects is lower than the proposed deployment, the balance amount will be used for general corporate purposes, to the extent that the total amount to be utilised towards general corporate purposes shall not exceed 25% of the Gross Proceeds from the Fresh Issue. In case of any shortfall in the requisite funds raised from the Net Proceeds or utilized from the internal accruals of our Company or any increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including seeking additional debt from lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilisation of funds earmarked for the purpose set forth above, increased funding requirements for a particular purpose may be financed by surplus funds, if any, available in respect of other purposes for which funds are being raised in the Fresh Issue. We may vary the Objects in the manner provided in "Objects of the Offer - Variation in Objects" on page 87.

Details of the Objects

1. Funding working capital requirements of our Company

We are in the business of bulk trade of agro produce to create expertise in healthy food products and build the revenue stream by moving across the value chain from origination to distribution and creating an integrated business model - from "farm to homes". A substantial portion of purchase of raw materials, i.e. dry fruits, seeds, nuts and berries which are sold directly by Proventus Agrocom and also used by its Material Subsidiaries to

meet part of their requirement for retail brand business under “ProV” and creating new products are met through imports. We fund a majority of our working capital requirements in the ordinary course of business from banks and internal accruals. As of February 28, 2022, the aggregate amount sanctioned by Canara Bank to our Company under the fund based working capital facilities amounted to ₹ 1,200 lakhs and Guaranteed Emergency Credit Line 1.0 Extension Scheme for ₹ 279.00 lakhs. For details of the working capital facilities availed by us, see “Financial Indebtedness” on page 253.

Any additional funding requirements for the new business initiatives shall be met out of the portion of the Net Proceeds allocated for general corporate purposes and/or through our internal accruals or debt financing or any combination thereof.

Basis of estimation of incremental working capital requirement of Proventus Agrocom Limited

Basis of estimation of working capital requirement, the details of Company’s working capital as at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 and the source of funding, on the basis of standalone audited Financial Statements of our Company as at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 are provided in the table below:

| Particulars | As at | | | |
|--|-------------------|-----------------|-----------------|-----------------|
| | December 31, 2022 | March 31, 2022 | March 31, 2021 | March 31, 2020 |
| Current assets | | | | |
| Inventories | 1,853.79 | 2,964.39 | 2,221.45 | 1,748.58 |
| Trade receivables | 2,065.80 | 1,608.98 | 1,695.66 | 1,409.06 |
| Short term loans and advances | 2,173.78 | 1,684.07 | 1,703.54 | 4,133.32 |
| Other current assets | - | 98.74 | 99.77 | 134.31 |
| Total current assets (A) | 6,243.79 | 6,356.18 | 5,720.43 | 7,425.27 |
| Current liabilities | | | | |
| Trade payables | 310.74 | 1,165.90 | 531.30 | 598.09 |
| Provision | 57.91 | 38.17 | - | - |
| Other current liabilities | 97.03 | 51.96 | 24.90 | 1,373.63 |
| Total current liabilities (B) | 465.68 | 1,256.03 | 556.20 | 1,971.72 |
| Net working capital (A) – (B) | 5,778.11 | 5,100.15 | 5,164.22 | 5,453.55 |
| Funding Pattern | | | | |
| Short term borrowings and other financial liabilities (reduced by cash / bank balance) | 1,680.22 | 1,288.79 | 1,433.58 | 1,600.07 |
| Internal accruals / net worth | 4,097.89 | 3,811.36 | 3,730.65 | 3,853.49 |

For further details, please refer to “Other Financial Information” and “Restated Consolidated Financial Statements” on page 234 and 163, respectively.

The estimates of the working capital requirements for the Financial Year ended March 31, 2024 have been prepared based on the management estimates of future financial performance. The projection has been prepared using set of assumptions that include assumptions about future events and management’s action that are not necessarily expected to occur. On the basis of existing and estimated working capital requirement of our Company on an audited standalone basis, and assumptions for such working capital requirements, our Board pursuant to the resolution passed in its meeting held on April 17, 2023 has approved the projected working capital requirements for Financial Year 2024 and the proposed funding of such working capital requirements as set forth below:

| Working Capital | Estimated as at | |
|-----------------------|-----------------|----------------------------------|
| | March 31, 2024 | Provisional as at March 31, 2023 |
| Current assets | | |
| Inventories | 3,416.87 | 1,862.42 |
| Trade receivables | 2,252.88 | 1,349.28 |

| Working Capital | Estimated as at March 31, 2024 | Provisional as at March 31, 2023 |
|---|---|---|
| Current loan / financial assets | 1,877.40 | 3,207.98 |
| Other current assets | 100.00 | - |
| Total current assets (A) | 7,647.15 | 6,419.68 |
| Current liabilities | | |
| Trade payables | 1,480.64 | 860.89 |
| Provision & Other current liabilities | 113.90 | 94.38 |
| Total current liabilities (B) | 1,594.54 | 955.27 |
| | | |
| Net working capital (A) – (B) | 6,052.61 | 5,464.42 |
| | | |
| Funding Pattern | | |
| Short term borrowings and other financial liabilities (reduced by cash / bank balance) | 978.36 | 693.66 |
| Internal accruals | 4,083.47 | 4,770.75 |
| Proceeds from IPO | 990.77 | - |

Note: Pursuant to the certificate dated May 17, 2023, M/s N B T and Co, Chartered Accountants have compiled and confirmed the working capital estimates and working capital projections, as approved by the Board pursuant to the resolution passed by the Company in its Board Meeting held on April 17, 2023 and May 17, 2023.

In addition to the Net Proceeds, our Company expects that the funding pattern for working capital requirements for Fiscal 2024 will comprise of working capital facilities and internal accruals.

The table below contains the details of the holding levels (in number of days or relevant matrix as applicable) considered and is derived from the standalone audited Financial Statements for the period ended December 31, 2022 and the financial years ended March 31, 2022, 2021 and 2020 and the assumptions based on which the working plan projections has been made and approved by our Board of Directors:

Assumptions for our estimated working (in days)

| Assumptions | March 31, 2024 | March 31, 2023 | December 31, 2022 | March 31, 2022 | March 31, 2021 | March 31, 2020 |
|---|---------------------------|---------------------------|------------------------------|---------------------------|---------------------------|---------------------------|
| Inventories | 30 | 23 * | 21 | 32 | 34 | 8 |
| Trade receivables | 18 | 15 | 21 | 16 | 23 | 6 |
| Short term loans and advances | 15 | 35 * | 22 | 17 | 23 | 17 |
| Trade payables | 13 | 10 | 4 | 13 | 8 | 3 |
| Other current liabilities & short term provisions | 1 | 1 | 2 | 0.30 | 0.20 | 3 |

Note: Pursuant to the certificate dated May 17, 2023, M/s N B T and Co, Chartered Accountants have compiled and confirmed the working capital estimates and working capital projections, as approved by the Board pursuant to the resolution passed by the Company in its Board Meeting held on April 17, 2023 and May 17, 2023.

* To meet the demand of finished products of ProV Foods and requirement of higher working capital, our Company has temporarily extended short term loan to ProV Foods for an amount of ₹ 1,696.00 lakhs as on March 31, 2023 which is accounted for as short term loans and advances by our Company.

Key justification for holding levels

Key assumptions for working capital projections made by our Company:

| Sr. No. | Particulars | Assumptions |
|-----------------------|--------------------|---|
| Current Assets | | |
| 1 | Inventories | Inventory holding period for FY 2023-24 is estimated to be 30 days. This estimation is based on inventory holding period cycle of previous financial year FY 2022-23 and the expected increase in the bulk sales business of the Company. |

| Sr. No. | Particulars | Assumptions |
|----------------------------|---|--|
| 2 | Trade receivables | The Company had trade receivables of 16 days, 23 days and 6 days of revenue at the end of Financial Year 2022, Financial Year 2021 and Financial Year 2020 respectively and 21 days for the nine months period ended December 31, 2022. The Company has considered trade receivables of 15 days and 18 days for the Financial Year 2023 (provisional) and Financial Year 2024 (estimated) respectively. |
| 3 | Short term loans and advances | Short term loans and advances predominantly includes unbilled revenue, advances to suppliers and others, prepaid expenses and security deposits. The other current / financial assets were 17 days, 23 days, 17 days in Financial Year 2022, Financial Year 2021 and Financial Year 2022 respectively and 22 days during the nine months period ended December 31, 2022. The company has considered a holding level of 20 days and 15 days for the Financial Year 2023 (provisional) and Financial Year 2024 (estimated) respectively for other short term loans and advances. |
| 4 | Other current assets | Other assets mainly include Pre paid expenses and miscellaneous receivables and is estimated on similar levels as in the previous financial year. |
| Current Liabilities | | |
| 1 | Trade payables | The Company's trade payable days were 13 days, 8 days and 3 days of total expenses excluding employee benefit expenses, depreciation & amortization, finance costs and tax expense incurred for Financial Year 2022, Financial Year 2021 and Financial Year 2020 respectively. The Company has considered trade payable days of 10 days and 13 days of total expenses excluding employee benefit expenses, depreciation & amortization, finance cost and tax expense for Financial Year 2023 (provisional) and Financial Year 2024 (estimated) respectively in line with the previous financial year. |
| 2 | Other current liabilities and short term provisions | Other current liabilities and short term provisions predominantly include statutory dues, employee benefits and other contractual obligations, etc. Other financial liabilities were marginal 0.30 days, 0.20 days and 3 days of total revenue for Financial Year 2022, Financial Year 2021 and Financial Year 2020. The Company has considered other financial liabilities at 1 day and 1 day for Financial Year 2023 (provisional) and Financial Year 2024 (estimated) respectively. |

2. Funding working capital requirements of Material Subsidiary, Prov Foods Private Limited

We derive substantially all of our revenue from the sale of our food products, which depends on the strength of “ProV” brand. We have consistently allocated significant resources to establish and strengthen the *ProV* brand and increase our brand recall as one of India's leading dry fruits and healthy snacks brands through various marketing initiatives. We have consciously developed our product portfolio under the *ProV* brand, allowing customers to associate with one brand. We have also entered into an agreement with Chef Sanjeev Kapoor and KS Narayanan having experience in food and FMCG, for endorsement, advertisement and promotions of and providing services in relation to the brand, products and ProV Foods. The said agreement also gives a right to ProV Foods to exclusively use SK IP and attributes for the brand, products and ProV Foods during the term of the agreement and KSK shall also assist in development of new product recipe under the brand of ProV Foods. In the past three years, ProV has steadily gained popularity as a smart snacking choice for health-conscious consumers and resulting in a CAGR growth of revenue from operations of 47.99% during the financial year ended March 31, 2020 and March 31, 2022. During the nine months period ended December 31, 2022, ProV brand has an average sales of ₹ 1,689.75 lakhs per month.

As of February 28, 2022, the aggregate amount sanctioned by Canara Bank to our Material Subsidiary, Prov Foods Private Limited under the fund based working capital facilities amounted to ₹ 1,200 lakhs and Guaranteed Emergency Credit Line 1.0 Extension Scheme for ₹ 90.00 lakhs For details of the working capital facilities availed by us, see “Financial Indebtedness” on page 253.

Basis of estimation of incremental working capital requirement

The details of Prov Foods Private Limited's working capital as at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 and the source of funding, on the basis of standalone audited Financial Statements of Prov Foods Private Limited as at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 are provided in the table below:

| Particulars | As at | | | |
|--|-------------------|-----------------|----------------|-----------------------------|
| | December 31, 2022 | March 31, 2022 | March 31, 2021 | March 31, 2020 |
| Current assets | | | | |
| Inventories | 1,081.12 | 701.60 | 121.19 | - |
| Trade receivables | 1,976.77 | 772.19 | 735.02 | - |
| Short term loans and advances | 131.72 | 119.93 | 85.74 | 56.58 |
| Total current assets (A) | 3,189.61 | 1,593.72 | 941.95 | 56.58 |
| Current liabilities | | | | |
| Trade payables | 1,348.45 | 363.89 | 31.86 | 16.97 |
| Other current liabilities & provisions | 386.42 | 7.13 | 153.44 | 201.70 |
| Total current liabilities (B) | 1,734.87 | 371.02 | 185.30 | 218.67 |
| Net working capital (A) – (B) | 1,454.74 | 1,222.71 | 756.66 | (162.08)¹ |
| Funding Pattern | | | | |
| Short term borrowings and other financial liabilities (reduced by cash / bank balance) | 1,123.48 | 1,001.00 | 598.24 | - |
| Internal accruals / net worth | 331.26 | 221.71 | 158.42 | - |

¹ Prov Foods Limited was incorporated on November 25, 2019 (during the FY 2019-20). There was no revenue from operations during the FY 2019-20. The funds of the Company were used towards Capital Work in Progress for installation of the manufacturing plant, deposits for taking factory premises on lease, GST credit and bank balance. Hence the working capital is being reflected as negative for the said period.

The estimates of the working capital requirements of Prov Foods Private Limited for the Financial Year ended March 31, 2024 have been prepared based on the management estimates of future financial performance. The projection has been prepared using set of assumptions that include assumptions about future events and management's action that are not necessarily expected to occur. On the basis of existing and estimated working capital requirement of Prov Foods Private Limited on an audited standalone basis, and assumptions for such working capital requirements, our Board of Directors of our Company pursuant to the resolution passed by the Board in its meeting held on April 17, 2023 and May 17, 2023 has approved the projected working capital requirements of Prov Foods Private Limited for Financial Year 2024 and the proposed funding of such working capital requirements as set forth below:

| Working Capital | Estimated as at | |
|--|-----------------|----------------------------------|
| | March 31, 2024 | Provisional as at March 31, 2023 |
| Current assets | | |
| Inventories | 2,181.51 | 1,063.40 |
| Trade receivables | 3,356.16 | 2,539.87 |
| Short term loans and advances | 383.56 | 298.80 |
| Total current assets (A) | 5,921.23 | 3,902.08 |
| Current liabilities | | |
| Trade payables | 1,745.21 | 564.45 |
| Other current liabilities & provisions | 10.00 | 47.69 |
| Total current liabilities (B) | 1,755.21 | 612.14 |
| Net working capital (A) – (B) | 4,166.03 | 1,563.40 |
| Funding Pattern | | |

| Working Capital | Estimated as at March 31, 2024 | Provisional as at March 31, 2023 |
|--|---|---|
| Short term borrowings and other financial liabilities (reduced by cash / bank balance) | 810.55 | 1,081.41 |
| Internal accruals | 369.19 | 481.98 |
| Proceeds from IPO | 2,986.29 | - |

Note: Pursuant to the certificate dated May 17, 2023, M/s N B T and Co, Chartered Accountants have compiled and confirmed the working capital estimates and working capital projections, as approved by the Board pursuant to the resolution passed by the Company in its Board Meeting held on April 17, 2023 and May 17, 2023.

In addition to the Net Proceeds, our Company expects that the funding pattern for working capital requirements of Prov Foods Private Limited for Fiscal 2024 will comprise of working capital facilities and internal accruals.

The table below contains the details of the holding levels (in number of days or relevant matrix as applicable) considered and is derived from the standalone audited Financial Statements of Prov Foods Private Limited for the period ended December 31, 2022 and the financial years ended March 31, 2022, 2021 and 2020 of Prov Foods Private Limited and the assumptions based on which the working plan projections has been made and approved by our Board of Directors of our Company:

Assumptions for our estimated working (in days)

| Assumptions | March 31, 2024 | March 31, 2023 | December 31, 2022 | March 31, 2022 | March 31, 2021 | March 31, 2020 |
|----------------------|---------------------------|---------------------------|------------------------------|---------------------------|---------------------------|---------------------------|
| Inventories | 25 | 17 | 18 | 17 | 18 | - |
| Trade receivables | 35 | 39 | 31 | 18 | 99 | - |
| Other current assets | 4 | 5 | 2 | 3 | 12 | - |
| Trade payables | 20 | 9 | 23 | 9 | 5 | - |

Note: Pursuant to the certificate dated May 17, 2023, M/s N B T and Co, Chartered Accountants have compiled and confirmed the working capital estimates and working capital projections, as approved by the Board pursuant to the resolution passed by the Company in its Board Meeting held on April 17, 2023 and May 17, 2023.

Key justification for holding levels

The business of Prov Foods Private Limited was recently commenced and therefore has witnessed significant growth in the previous financial year. Hence, the historical holding period may not reflect the actual working capital business requirement. The key assumptions for working capital projections for Prov Foods Private Limited is as under:

| Sr. No. | Particulars | Assumptions |
|-----------------------|-------------------------------|--|
| Current Assets | | |
| 1 | Inventories | Inventory holding period for FY 2023-24 is estimated to be 24 days. This estimation is based on Finished Goods holding period cycle of previous financial year FY 2022-23 and to streamline finished goods holding period. The same is being considered at 25 days for the FY 2023-24 as Prov Foods Private Limited has more than 100 SKU for its retail products which results in higher inventory holding period across various SKUs. |
| 2 | Trade receivables | Prov Foods Private Limited had trade receivables of 18 days and 99 days of revenue at the end of Financial Year 2022 and Financial Year 2021 respectively and 31 days for the period ended December 31, 2022. Prov Foods Private Limited has considered trade receivables of 28 days and 35 days for the Financial Year 2023 (provisional) and Financial Year 2024 (estimated) in accordance with the expected business requirement for credit extension to the customers. |
| 3 | Short term loans and advances | Short term loans and advances predominantly includes unbilled revenue, advances to suppliers and others, prepaid expenses and security deposits. The other current / financial assets were 3 days and 12 days in Financial Year 2022 and Financial Year 2021 respectively and 2 days for the period ended December 31, 2022. Prov Foods Private Limited has considered a holding level of 4 days |

| Sr. No. | Particulars | Assumptions |
|----------------------------|----------------|--|
| | | for each of the Financial Year 2023 (provisional) and Financial Year 2024 (estimated). |
| Current Liabilities | | |
| 1 | Trade payables | <p>Prov Foods Private Limited's trade payable days were 9 days and 54 days of total expenses excluding employee benefit expenses, depreciation & amortization, finance costs and tax expense incurred for Financial Year 2022 and Financial Year 2021 respectively and 23 days for the period ended December 31, 2022.</p> <p>Prov Foods Private Limited has considered trade payable days of 30 days and 20 days of total expenses excluding employee benefit expenses, depreciation & amortization, finance cost and tax expense for Financial Year 2023 (provisional) and Financial Year 2024 (estimated) respectively. Prompt payment cycle is expected to get advantage of lower purchase price from its suppliers.</p> |

We will invest in ProV Foods in Financial Year 2024, either in the form of debt or equity, which will be determined by our Company at the time of making such investment and the same has not been finalized as on the date of this Prospectus. ProV Foods does not have any stated dividend policy and our Company cannot be assured of any dividends from such investment. Further, any investment made in form of debt may yield interest income to our Company, with corresponding expenditure in our subsidiary ProV Foods, at the rate to be decided by the Company at the time of extending such debt.

Our Company will remain interested in ProV Foods to the extent of our shareholding, or as a lender if funds are deployed in the form of debt. We believe that investment in ProV Foods in furtherance of the above-stated object will enable us to earn increasing revenues on a consolidated basis, progressively scale our business, compete effectively, increase our visibility and expand our existing consumer base.

3. General Corporate Purpose

We propose to deploy the balance Net Proceeds, aggregating to ₹ 1,077.68 lakhs, towards general corporate purposes subject to such utilisation not exceeding 25% of the Gross Proceeds from the Fresh Issue, in compliance with the SEBI ICDR Regulations.

The general corporate purposes for which our Company proposes to utilise Net Proceeds include acquisition of fixed assets, repayment of debt, new brand launches, short term working capital requirements, information technology infrastructure, improvement in supply chain, distribution and fulfilment network, rental and administrative expenses, meeting exigencies and expenses incurred in the ordinary course of business, as may be applicable. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any.

Offer Expenses

The total Offer related expenses are estimated to be approximately ₹ 171.41 lakhs. The Offer related expenses consist of listing fees, fees payable to the Lead Manager, underwriting fees, selling commission and brokerage, legal advisor to the legal chapters, Registrar to the Offer, Escrow Collection Bank, Public Offer Account Bank, Refund Bank and Sponsor Bank including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Applicants procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

Other than for (i) listing fees, expenses for corporate advertisements, i.e. any corporate advertisements consistent with past practices of our Company and not including expenses relating to marketing and advertisements undertaken in connection with the Offer, branding and stamp duty payable on issue of Equity Shares pursuant to Fresh Issue which shall be borne solely by our Company, and (ii) stamp duty payable on transfer of the Offered Shares pursuant to the Offer for Sale and fees and expenses for the legal counsel to the Selling Shareholders which shall be borne solely by the respective Selling Shareholders, our Company and each of the Selling Shareholders

agree to share the costs and expenses (including all applicable taxes) directly attributable to the Offer (including fees and expenses of the Lead Manager, legal advisors to the legal chapters and other intermediaries, advertising and marketing expenses (other than corporate advertisements expenses and branding of our Company undertaken in the ordinary course of business by our Company), printing, underwriting commission, procurement commission (if any), brokerage and selling commission and payment of fees and charges to various regulators in relation to the Offer) in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and sold by each of the Selling Shareholders through the Offer for Sale, respectively, in accordance with applicable law including section 28(3) of the Companies Act. Our Company agrees to advance the cost and expenses of the Offer in the first instance and our Company will be reimbursed by each of the Selling Shareholders, severally and not jointly, for its respective proportion of such costs and expenses, in accordance with the applicable law, upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, except for such costs and expenses in relation to the Offer which are paid for directly by the Selling Shareholders.

The break-up for the estimated Offer expenses are as follows:

| (₹ in lakhs) | | | |
|---|---------------------------------|--|----------------------|
| Activity | Estimated Expense* (₹ in lakhs) | As a % of total estimated Offer related expenses | As a % of Offer size |
| Lead Manager's fees (including underwriting commission) | 26.00 | 15.17% | 0.37% |
| Brokerage, selling commission and upload fees ** | 1.16 | 0.68% | 0.02% |
| Fees payable to Legal Advisors to the Legal Chapters | 3.75 | 2.19% | 0.05% |
| Fees payable to Registrar to the Offer | 1.00 | 0.58% | 0.01% |
| Others | | 0.00% | 0.00% |
| • Listing fees, upload fees, NSE processing fees and other regulatory expenses | 7.00 | 4.08% | 0.10% |
| • Printing and distribution of stationery | 3.00 | 1.75% | 0.04% |
| • Advertising and Marketing expenses | 4.00 | 2.33% | 0.06% |
| • Miscellaneous (market making, depositories, Industry Report, secretarial, auditor, stamp duty on allotment, etc.) | 125.50 | 73.22% | 1.80% |
| Total estimated Offer expenses | 171.41 | 100.00% | 2.46% |

* Offer expenses do not include applicable taxes as the Company may claim credit for GST in terms of the applicable regulatory provisions. Further, the GST liability on the Offer expenses will be borne by the respective Selling Shareholder as our Company may not claim GST credit on such pro rata expenses. Certain of the offer expenses are estimates and are subject to change depending on the applications received under the Offer.

** Selling commission / brokerage / upload fees payable to the SCSBs, Syndicate, RTAs, CDPs and Applications made through UPI would be as follows:

1. SCSBs will be entitled to a processing fee of ₹ 10/- per valid Application Form for processing of the Application Forms only for the Successful Allotments procured by other Application Collecting Intermediary and submitted to them.
2. Sponsor Bank will be entitled to a processing fees of ₹ 8 per valid Application Form.
3. Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Investors and Non-Institutional Investors, would be 0.01% on the Allotment Amount.
4. No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
5. The commission and processing fees shall be released only after the SCSBs provide a written confirmation to the Lead Manager not later than 30 days from the finalization of Basis of Allotment by Registrar to the Issue in compliance with SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.
6. Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.
7. Market Maker fees, as per the Market Making Agreement, has been considered for the three year period.

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 01, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate / sub-Syndicate Member shall not be able to upload Application Form above ₹ 5 lakhs and the same Application Form

need to be submitted to SCSB for blocking of the fund and uploading on the Stock Exchange bidding platform. To identify Applications submitted by Syndicate / sub-Syndicate Member to SCSB a special Application Form with a heading / watermark "Syndicate ASBA" may be used by Syndicate / sub-Syndicate Member along with SM code and broker code mentioned on the Application Form to be eligible for brokerage on allotment. However, such special forms, if used for RIB and NIB Applications up to ₹ 5 lakhs will not be eligible for brokerage.

Interim use of Net Proceeds

We, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board or a duly constituted committee thereof.

In accordance with the Companies Act, 2013, we confirm that we shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Financing Facilities

We have not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring Agency

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

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

Variation in objects

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

Other Confirmations

Except to the extent of any proceeds received pursuant to the sale of Offered Shares proposed to be sold in the Offer by the Selling Shareholders, none of our Promoters, Directors, Key Managerial Personnel, members of our Promoter Group or Group Companies will receive any portion of the Offer Proceeds, and there are no material existing or anticipated transactions in relation to utilization of the Offer Proceeds with our Promoters, Directors, Key Managerial Personnel or members of our Promoter Group or Group Companies.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company, the Promoter Selling Shareholder and the Other Selling Shareholders, in consultation with the Lead Manager on the basis of an assessment of market demand for the Equity Shares offered through the fixed price method and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is 77.1 times of the face value. Investors should also refer to “Our Business”, “Risk Factors”, “Restated Consolidated Financial Statements” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 107, 25, 163 and 237 respectively, to have an informed view before making an investment decision.

Qualitative factors

We believe that some of the qualitative factors which form the basis for computing the Offer Price are:

- Diversified product portfolio focused on various consumer segments and markets
- Extensive distribution network, arrangement with reputed chain stores and growing e-commerce channel
- Established and strong sourcing base
- Capital-efficient and scalable retail model to capitalize on the strong industry growth profile driven by a rapid shift towards healthy lifestyle and hygienic food snacking trends, organized retail and increasing online penetration
- Using dry fruits broken and shells and skins of the raw material to derive maximum value realisation
- Experienced Promoters and Management team

For further details, see “Our Business - Our Strengths” on page 119.

Quantitative factors

Certain information presented below relating to our Company is derived from the Restated Consolidated Financial Statements. For further information, see “Restated Consolidated Financial Statements” on page 163.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

1. Restated earnings / (loss) per share:

| Financial year / period ended | Basic EPS (₹) | Diluted EPS (₹) | Weight |
|-------------------------------|---------------|-----------------|--------|
| March 31, 2020 | (79.49) | (79.49) | 1 |
| March 31, 2021 | 6.82 | 6.82 | 2 |
| March 31, 2022 | 4.14 | 4.14 | 3 |
| Weighted Average | (8.91) | (8.91) | |
| December 31, 2022 * | 6.89 | 6.89 | |

* The EPS for the nine months period ended December 31, 2022 is not annualised.

Notes:

1. Earnings per share calculations have been computed as below :
 - Basic earnings per share (Rs.) = Net profit after tax, as restated for calculating basic EPS / Adjusted Weighted average number of equity shares outstanding at the end of the period or year
 - Diluted earnings per share (Rs.) = Net profit after tax, as restated for calculating diluted EPS / Adjusted Weighted average number of equity shares outstanding at the end of the period or year
2. Weighted average number of equity shares outstanding during the year/period and Weighted average number of diluted equity shares outstanding during the year/period has been adjusted such that as if the partly paid up equity shares were made fully paid-up equity shares at the beginning of the earliest period reported
3. The Weighted Average basic and diluted EPS is a product of basic and diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight. Weights applied have been determined by the management of our Company.
4. Basic EPS and Diluted EPS for nine months ended December 31, 2022 and fiscal 2022, 2021 and 2020 are further adjusted for the changes in equity share capital pursuant to conversion of partly paid up equity shares into fully paid up in January 2023.
5. The figures disclosed above are derived from the Restated Consolidated Financial Statements of the Company.

2. Price / Earning (“P/E”) ratio in relation to Offer Price of ₹ 771 per Equity Share:

| Particulars | P/E at the Offer Price (number of times) |
|--------------------------------------|---|
| Based on Basic EPS for Fiscal 2022 | 186.23 |
| Based on Diluted EPS for Fiscal 2022 | 186.23 |

Industry Peer Group P/E Ratio

| Particulars | P/E Ratio |
|-------------|-----------|
| Highest | 112.72 |
| Lowest | 112.72 |
| Average | 112.72 |

Note: The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see “Comparison with Listed Industry Peers” below.

3. Return on Net Worth (RoNW):

| Financial year / period ended | RoNW (%) | Weight |
|-------------------------------|-----------------|--------|
| March 31, 2020 | NA [^] | 1 |
| March 31, 2021 | 3.22 | 2 |
| March 31, 2022 | 1.91 | 3 |
| Weighted Average | 2.43 | |
| December 31, 2022 * | 3.08 | |

* The RoNW for the nine months period ended December 31, 2022 is not annualised.

[^] Since net worth is negative for fiscal year ended March 31, 2020, RoNW is not derived here

Notes:

1. Return on Net Worth (%) = Net profit after tax, as restated / Adjusted Net worth at the end of the period or year
2. Adjusted Net worth has been calculated as sum of Equity Share Capital and Reserves and surplus (comprising of Securities Premium, Foreign Currency Translation Reserve and Surplus of Profit and Loss Account) and ₹ 228 per Equity Share (₹ 9 towards face value and ₹ 219 towards securities premium) paid by the shareholders of 3,00,000 Equity Share post the last balance sheet date of December 31, 2022.
3. The weighted average return on net worth is a product of return on net worth and respective assigned weight dividing the resultant by total aggregate weight. Weights applied have been determined by the management of our Company.
4. The figures disclosed above are derived from the Restated Consolidated Financial Statements of the Company.

4. Net Asset Value per Equity Share

| Net Asset Value per Equity Share | (₹) |
|----------------------------------|--------|
| As on March 31, 2022 | 216.52 |
| As on December 31, 2022 | 223.80 |
| After the Offer | 331.05 |

Notes:

1. Net Asset Value per share represents Adjusted Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year.
2. Adjusted Net worth has been calculated as sum of Equity Share Capital and Reserves and surplus (comprising of Securities Premium, Foreign Currency Translation Reserve and Surplus of Profit and Loss Account) and ₹ 228 per Equity Share (₹ 9 towards face value and ₹ 219 towards securities premium) paid by the shareholders of 3,00,000 Equity Share post the last balance sheet date of December 31, 2022
3. The figures disclosed above are derived from the Restated Consolidated Financial Statements of the Company.

5. Comparison with listed industry peers

| Name of the Company | Face Value per Equity Share (₹) | P/E | Total Income (₹ in lakhs) | Basic Earnings Per Share (₹) | Diluted Earnings Per Share (₹) | Net Worth (₹ in lakhs) | RoNW (%) | Net Asset Value per Equity Share (₹) | Closing share price as on May 16, 2023 (₹ per equity share) |
|---------------------------|---------------------------------|----------|---------------------------|------------------------------|--------------------------------|------------------------|----------|--------------------------------------|---|
| Proventus Agrocom Limited | 10 | 186.23 * | 40,326.68 | 4.14 | 4.14 | 5,966.75 | 1.91 | 216.52 | 771.00 |
| Listed Peers | | | | | | | | | |
| Krishival Foods Limited | 10 | 112.72 | 5,228.54 | 2.32 | 2.32 | 4,222.25 | 8.05 | 21.33 | 261.50 |

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the financial statements of the respective company for the year ended March 31, 2022 submitted to stock exchange(s).

P/E Ratio for the peer group has been computed based on the closing market price of equity shares on NSE as on May 16, 2023, divided by the diluted EPS.

* Based on Basic EPS for Fiscal 2022

6. The Offer price is 77.1 times of the face value of the Equity Shares

The Offer Price of ₹ 771 has been determined by our Company and the Selling Shareholders, in consultation with the Lead Manager on the basis of an assessment of market demand for the Equity Shares offered through the fixed price method. Our Company and the Selling Shareholders, in consultation with the Lead Manager are justified of the Offer Price in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with “Risk Factors”, “Our Business”, Management Discussion and Analysis of Financial Position and Results of Operations” and “Restated Consolidated Financial Statements” on pages 25, 107, 237 and 163 respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” on page 25 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO PROVENTUS AGROCOM LIMITED (“THE COMPANY”), ITS MATERIAL SUBSIDIARY AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE TAX LAWS IN INDIA

Date: May 17, 2023

To,
The Board of Directors,
Proventus Agrocom Limited
Unit 515, 5th Floor, C Wing,
1 MTR Cabin, Atrium, Village Mulgaon,
MV Road, Andheri (East), Near Acme Plaza,
Mumbai - 400 069, Maharashtra, India

Subject: Statement of Possible Special Tax Benefits available to the Company, its Material Subsidiaries and the shareholders of the company under the direct and indirect tax laws

Re: Proposed initial public offering of its equity shares having face value ₹ 10 each (“Equity Shares”) by Proventus Agrocom Limited (the “Company”) and such offering (the “Issue”)

Dear Sirs,

We N B T and Co, Chartered Accountants, Statutory Auditors of the Company hereby confirm that the enclosed **Annexure** states the possible special tax benefits available to the Company, Prov Foods Private Limited and Proventus Retail Private Limited (the “**Material Subsidiaries**”) and its shareholders as per the provisions of the direct and indirect tax laws presently in force in India (the “**Tax Laws**”). These possible special tax benefits are dependent on the Company, its Material Subsidiaries and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company, its Material Subsidiaries and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company, its Material Subsidiaries and its shareholders may or may not choose to fulfill such conditions.

The benefits discussed in the enclosed **Annexure** are not exhaustive and cover the possible special tax benefits available to the Company, its Material Subsidiaries and its shareholders and do not cover any general tax benefits available to them. The Statement is only intended to provide general information to 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 or its own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Issue, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither do we suggest nor do we advise the investors to invest money based on this Statement.

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

- the Company, its Material Subsidiaries and its shareholders will continue to obtain these possible special tax benefits in future; or
- the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with, or
- the revenue authorities will concur with the views expressed herein.

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

We hereby give our consent to include this statement and the enclosed **Annexure** regarding the special tax benefits available to the Company, its Material Subsidiaries and its shareholders of the Company in the Prospectus (the

“DP”) and Prospectus (the “**Prospectus**”, together with the DP and Prospectus, the “**Issue Documents**”) in relation to the Issue, which the Company intends to submit to the Securities and Exchange Board of India, National Stock Exchange of India Limited and the relevant registrar of companies where the equity shares of the Company are proposed to be listed, provided that the below statement of limitation is included in the Issue Documents.

LIMITATIONS

Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the Annexure is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed Issue relying on the Annexure.

This statement has been prepared solely in connection with the Issue under the SEBI ICDR Regulations.

For N B T and Co
Chartered Accountants
ICAI Firm Registration Number: 140489W

CA Ashutosh Biyani
Partner
Membership No.: 165017
Place: Mumbai
UDIN: 23165017BGXEXI6775

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARIES AND THE COMPANY'S SHAREHOLDERS

This statement of possible special tax benefits is required as per Schedule-VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"). While the term 'special tax benefits' has not been defined under the ICDR Regulations, for the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, its Material Subsidiaries and its shareholders, and the same would include those benefits as enumerated in this Annexure.

Any benefits under the taxation laws other than those specified in this Annexure are considered to be general tax benefits and therefore not covered within the ambit of this Statement.

Further, any benefits available under any other laws within or outside India, except for those mentioned in this Annexure have not been examined and covered by this statement.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THEIR PARTICULAR SITUATION.

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARIES AND TO THE SHAREHOLDERS OF THE COMPANY

Direct Taxation:

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

I. *Special tax benefits available to the Company*

- A.** Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of 22% (plus applicable surcharge and education cess) for the Financial Year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified deductions or set-off of losses, depreciation etc., and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the income tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. Further, if the conditions mentioned in section 115BAA are not satisfied in any year, the option exercised shall become invalid in respect of such year and subsequent years, and the other provisions of the Act shall apply as if the option under section 115BAA had not been exercised.

The Company has not opted for section 115BAA of the Act for Assessment Year 2023-24 and has represented us that as on the date of statement they have not opted for section 115BAA of the Act for AY 2024-25.

B. *Deductions from Gross Total Income*

Deduction in respect of employment of new employees:

Subject to the fulfilment of prescribed conditions, the Company is entitled to claim deduction of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under section 80JJAA of the Act.

Deduction in respect of inter-corporate dividends – Section 80M of the Act

Up to March 31, 2020, any dividend paid to a shareholder by a company was liable to Dividend Distribution Tax (“DDT”), and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act, 2020, DDT stands abolished and dividend received by a shareholder on or after 1st April 2020 is liable to tax in the hands of the shareholder, other than dividend on which tax under section 115-O has been paid. The company is required to deduct Tax at Source (“TDS”) at applicable rate specified under the Act read with applicable Double Taxation Avoidance Agreement (if any).

With respect to a shareholder which is a domestic company as defined in section 2(22A) of the Income-tax Act, 1961, a new section 80M has been inserted in the Act to remove the cascading effect of taxes on inter-corporate dividends during FY 2020-21 and thereafter. The section inter-alia provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The “due date” means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

II. *Special direct tax benefits available to Shareholders*

There are no special tax benefits available to the shareholders for investing in the Equity Shares of the Company.

III. *Special direct tax benefits available to Material Subsidiaries*

A. *Prov Foods Private Limited*

- Prov Foods Private Limited is the Material Subsidiary of Company which was incorporated on November 25, 2019.
- The Indian Government introduced a favourable tax regime for new manufacturing companies and inserted Section 115BAB of the Income Tax Act, offering a low tax rate of 15% for new manufacturing companies which were formed and registered on or after 01 October 2019. It was done to promote the new manufacturing start-ups.
- The effective tax rate for the material subsidiary after benefitting from Section 115BAB is 17.16%. This includes a Surcharge rate of 10% and Health and Education Cess of 4%.
- The benefits under Section 115BAB apply to businesses who do not qualify for any exemptions or incentives and begin production before or on March 31, 2023.
- Furthermore, such businesses are exempt from paying the Minimum Alternate Tax (MAT).

B. *Proventus Retail Private Limited*

Proventus Retail Private Limited is the Material Subsidiary of Company which was incorporated on December 21, 2015. Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of 22% (plus applicable surcharge and education cess) for the Financial Year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified deductions or set-off of losses, depreciation etc., and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the income tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. Further, if the conditions mentioned in section 115BAA are not satisfied in any year, the option exercised shall become invalid in respect of such year and subsequent years, and the other provisions of the Act shall apply as if the option under section 115BAA had not been exercised.

Proventus Retail Private Limited has not opted for section 115BAA of the Act for Assessment Year 2023-24 and has represented us that as on the date of statement they have not opted for section 115BAA of the Act for AY 2024-25.

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 Equity Shares.
2. The above Statement covers only certain relevant benefits under Income tax Act, 1961 read with relevant rules, circulars and notifications 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 Income tax Act, 1961 read with relevant rules, circulars and notifications 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 Equity 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 double tax avoidance agreements, if any, between India and the country in which such non-resident is a tax resident of.
6. Our views expressed in this Statement are based on the facts and assumptions as indicated in the Statement. 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.

STATEMENT OF POSSIBLE INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, ITS MATERIAL SUBSIDIARIES AND THE SHAREHOLDERS OF THE COMPANY

Outlined below are the special tax benefits available to the Company, its Material Subsidiaries and its shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 (“**GST law**”), the Customs Act, 1962, Customs Tariff Act, 1975 (“**Customs law**”) and Foreign Trade Policy 2015-2020 (“**FTP**”) (collectively referred as “**Indirect Tax Laws**”) read with rules, circulars, and notifications

I. Special tax benefits available to the Company

There are no possible special tax benefits available to the Company under the Indirect Tax Laws.

II. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders under the provisions of the Indirect Tax Laws.

III. Special tax benefits available to Material Subsidiaries

There are no possible special tax benefits available to Material Subsidiaries of the Company under the Indirect Tax Laws.

Notes:

1. The above Statement of Indirect Tax benefits sets out the special tax benefits available to the Company and its shareholders under the Indirect Tax laws mentioned above.
2. The above Statement covers only above-mentioned tax laws benefits and does not cover any Income Tax law benefits or benefits 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. 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 Equity Shares of the Company.

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 Proventus Agrocom Limited | For N B T and Co Chartered Accountants ICAI Firm Registration Number: 140489W |
| Authorised Signatory | CA Ashutosh Biyani Partner Membership No.: 165017 |

SECTION V: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, the information in this section is obtained or extracted from “Industry Report: Healthy Snacks, Nuts, Seeds & Berries” dated April 13, 2023 (“Industry Report”) prepared and released by Wazir Advisors Private Limited (“Wazir”) and exclusively commissioned by and paid for by us pursuant to an engagement letter dated February 07, 2023. A copy of the Industry Report is available on the website of our Company at www.proventusagro.com. The data included herein includes excerpts from the Industry Report and may have been re-classified by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed issue) that has been left out or changed in any manner. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on, this information. Financial information used herein is based solely on the audited financials of the Company and other peers. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

While preparing its report, Wazir has also sourced information from publicly available sources, including our Company’s financial statements available publicly. However, financial information relating to our Company presented in other sections of this Prospectus has been prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations. Accordingly, the financial information of our Company in this section is not comparable with Ind AS financial information presented elsewhere in this Prospectus

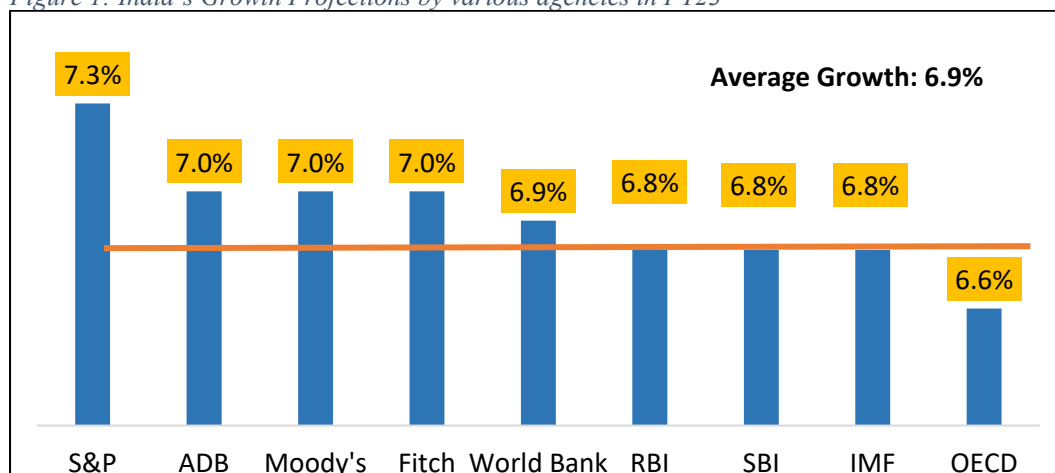
OVERVIEW OF INDIAN ECONOMY

India is set to be the second-fastest growing economy in the G20 in FY 2022-23, despite decelerating global demand and the tightening of monetary policy to manage inflationary pressures. The Indian economy was on the path of full recovery in FY22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY23. Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19.

India has also faced the challenge of inflation that the European strife accentuated. Measures taken by the government and RBI, along with the easing of global commodity prices, have managed to bring retail inflation below the RBI upper tolerance target. However, the challenge of the depreciating Rupee, although better performing than most other currencies, persists. The loss of export stimulus is further possible as the slowing world growth and trade shrinks the global market size.

Despite this, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0 per cent in FY23. These optimistic growth forecasts stem in part from the resilience of the Indian economy seen in the rebound of private consumption seamlessly replacing the export stimuli as the leading driver of growth. The uptick in private consumption has also given a boost to production activity resulting in an increase in capacity utilisation across sectors. The rebound in consumption was engineered by the extensive vaccination coverage that brought people back to the streets to spend on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, among others.

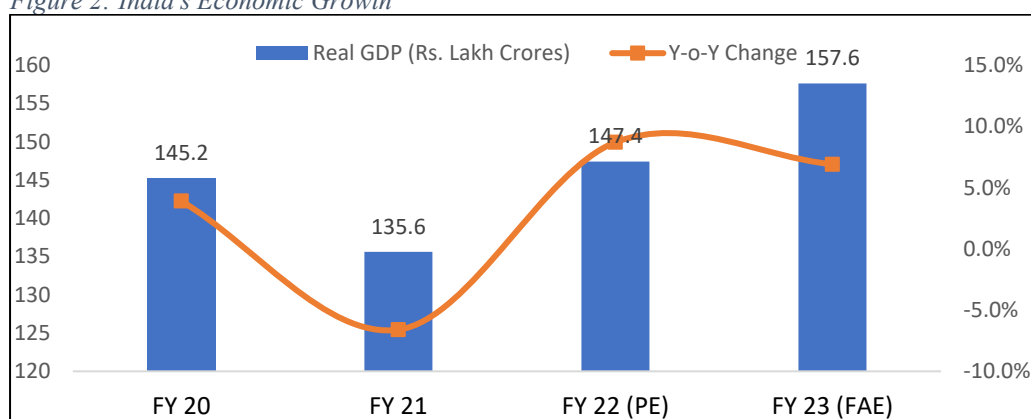
Figure 1: India's Growth Projections by various agencies in FY23



ADB: Asian Development Bank; IMF: International Monetary Fund

The GDP contracted significantly in FY 21 due to the pandemic. The following year, FY22, the Indian economy started to recover, while FY23 opened with a firm belief that the pandemic was rapidly on the wane and that India was poised to grow at a fast pace and quickly ascend to the pre-pandemic growth path.

Figure 2: India's Economic Growth



Data Source: MoSPI

PE: Provisional Estimates; FAE: First Advanced Estimates

The services sector has become the bedrock of the Indian economy contributing to more than 50% of the GDP. In line with the growth in economy, India's annual household consumption is likely to treble, making India the fifth largest consumer market by 2030. Food and beverage (F&B) is the largest segment of the consumption basket.

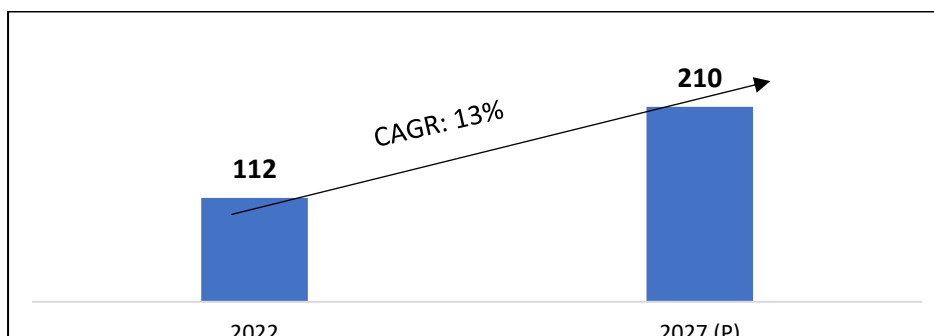
INDIAN PACKAGED FOOD & BEVERAGE (F&B) INDUSTRY

The Indian food & beverage industry has been blooming quite well over the last decade. This is due to a change in social patterns and generalized economic growth. From the elementary packaged foods, baked goods, dairy and confectionery products to the deserts, snacks, and ice-cream—the industry has made considerable growth over the years. Even the beverage industry consisting of tea, coffee and other alcoholic and non-alcoholic drinks is making considerable progress. With a prominent agriculture sector, abundant livestock, and cost competitiveness, India is fast emerging as a sourcing hub for processed food.

The food & beverage industry contributes to 3% of India's GDP and around 2/3rd of the total retail market in India. More than 7.5 million people in India rely on the F&B sector for employment and income. This makes it the single-largest employer in the country. F&B also acts as an engine for other sectors of the economy such as transportation, retail, hospitality services and agriculture. The current market size of the Indian Food and Beverage Industry shows a great potential for higher profit and therefore is attracting enormous foreign investments.

Food & Beverage Industry Statistics

| | | |
|--|---------------------------|--------------------------|
| 20.2% | 11.6% | 10.4% |
| % Share of GVA of agriculture and allied sector to total economy | Share in total employment | Share in India's exports |



Data Source: Aventus Report

In recent years, packaged food and beverage has become favourite among Indians especially in the urban cities. There has been a change in the eating habits in Metros. Due to the fast-paced life in urban cities, about 79% of the people prefer to have ready-to-eat food in their regular meal. The reasons behind the increase in the use of packaged food in urban cities are the steep rise in income, the standard of living and convenience.

Tapping into the F&B Trends in India

- **Healthy lifestyle:** Influenced by trends for physical and mental wellbeing, Indian consumers are seeking healthier alternatives when it comes to food and beverages.
- **Convenience:** With the growing urban population and hectic lifestyles, convenience food and beverages including on-the-go snacks, ready-made meals, and packaged foods are increasingly important.
- **New experiences and flavours:** The millennial population is concerned with experiences and innovative flavours and textures.
- **Influence on Western tastes:** Over the past decade, the health food ingredients market has grown internationally. With western consumers in particular constantly seeking the next new flavour or ingredient with key health benefits, many of these ingredients originate in India.
- **Sustainability:** The younger Indian population is more concerned about environmental and social issues and seek sustainable efforts and initiatives from food and beverage companies.

INDIAN SNACK INDUSTRY

A snack is everything we eat or chew either between main meals or to replace those meals. Snacking in between the meals has always been traditional in Indian culture. Further the Covid-19 forced lockdown has increased this habit of snacking multi-fold and is driving the growth of this industry.

Indian Snack Industry Statistics

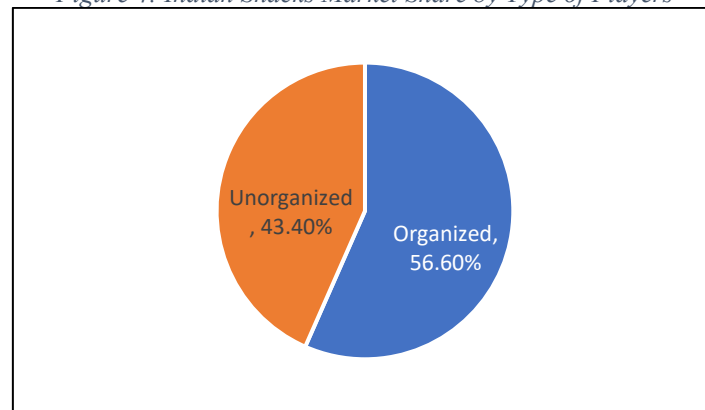
| | | |
|--|---|--|
| 64% | 71% | 85% |
| consumers say they prefer to eat many small meals throughout the day, as opposed to a few large ones | consumers around the world snack at least twice a day | consumers take special note of the brand, packing, and nutritional value while purchasing RTE snacks |

The Indian snack food market is estimated to be US\$ 6.6 billion and is growing at a CAGR of 6.3%.

Consumers are increasingly replacing meals with snacks and reporting higher likelihood to eat a snack across all three standard mealtimes. With a significant increase in main meal skipping, it is important to note that 40% of consumers “skipped at least one main meal” in 2021 vs. 30% in 2013, with breakfast being the most skipped. Over half (55%) report their households make a meal out of snacks at least weekly. Members of Gen Z (those aged 16 to 24 years) along with slightly older millennials (25- to 34-year-olds), and specifically women within those demographics drive snacking growth.

The market is characterized by a large number of unorganized players across the product segments. However, with time, large FMCG companies understood the potential of the snacks market and entered it in a big way, using their existing supply chain to their advantage. These companies are typically characterized by a large product portfolio across multiple product categories, aggressive advertisements and promotions, active R&D, etc.

Figure 4: Indian Snacks Market Share by Type of Players



Data Source: Frost & Sullivan

Some key macroeconomic trends impacting the Indian snack market are as follows:

- Growing, young, working-age population: India enjoys a favourable demographic profile, as evidenced by the increasing share of its overall working-age and young working-age population. The young working-age population (20-34 years) share in the country’s total population has steadily risen from 24.2% in 1990 to 25.5% in 2020 . The share of the working-age population (15-64 years of age) is also on the rise, expecting to near 70.0% towards 2030.
- Rising middle-class population: India's middle class constitutes approximately 60.0% of total households. As of 2016, more than 12 crore Indian households belonged to the middle-income class (earning a gross annual income between 5 lakh to 10 lakh rupees). The number of households in this bracket is expected to increase to 14 crores by 2025-26. The growing presence of a large middle-class population will be pivotal in driving higher packaged foods, and savoury snacks and sweets expenditure.
- Rising disposable income: Net national disposable income, a key determinant of consumer demand, is expected to rise from INR 185.3 trillion in 2019-20 to INR 319.2 trillion by 2025-26 . An increase in disposable income levels, indicative of a higher standard of living, will help improve affordability and demand for snacks.
- Increasing nuclearization of families: Over 60.0% of the households in India are said to be nuclear. Intensifying nuclearization is expected to drive changes in lifestyle patterns, with an increased inclination towards more convenient consumption.
- Increasing female participation in the workforce: Growing trends of higher female educational qualification attainment and rising labour force participation, giving rise to two-income nuclear families, are a key factor driving convenience and packaged food demand in India.

INDIAN HEALTH & WELLNESS (H&W) F&B MARKET

Today's consumers are more aware of their personal health and wellbeing than ever. Desire for self-preservation, enhanced vitality, and preventing the onset of illness in the short and long term is urging consumers to proactively make lifestyle and product choices that can not only alleviate these concerns, but also enhance quality of life.

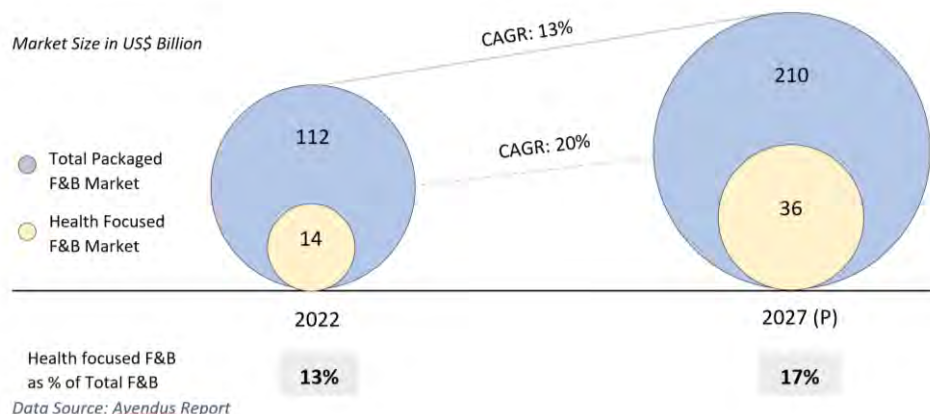
90% of global consumers believe eating healthily to be important in creating a feeling of wellbeing

55% of global consumers believe food/drinks can provide the same health benefits as non-prescription medicines

66% of global consumers are actively buying H&W F&B. A further **28%** say they are interested but not actively buying

Data Source: Food South Australia

India's health focused F&B market currently stands at US\$ 14 billion and is expected to touch US\$ 36 billion by 2027, registering a growth of 20 per cent (~1.5x of the total packaged F&B market growth).



There is a wide spectrum of products that have emerged in this space, including categories organic, functional, and plant-based foods.

| Organic | Functional | Plant-Based |
|--|--|--|
| <ul style="list-style-type: none"> Minimally processed natural food and beverages Organically grown and free from man-made chemicals | <ul style="list-style-type: none"> Naturally enriched or fortified foods Low in sugar/salt and high in nutrients Free from allergen like lactose, gluten etc. | <ul style="list-style-type: none"> Dairy, meat, and other food products derived from plants or cultures |

Growth Drivers of Health and Wellness Focused Food & Beverage Market

- Change in the attitude and increase in the number of health-conscious consumers: post the Covid-19 pandemic, consumers have started searching for food with functional and natural healthy ingredients. There has been a shift in their eating more mindfully – i.e. ingesting food with specific benefits beyond general wellness and nutrition. Owing to this, many Indian companies have positioned their products as super foods and containing healthy ingredients. Some important statistics to take note of are as follows:
 - 108 million health conscious consumers in India
 - 35 million children consuming health food due to health-conscious parents
 - 70% Indians say they will focus on improving overall health post covid by prioritizing dietary changes
- Rising disposable income: increased spending capacity amongst the population has encouraged the trial and adoption of health-oriented products and services.
- Urbanisation: With a higher share of population living in cities, consumers are more aware and exposed to a variety of options when it comes to making choices regarding their food.
- Rising demand from millennials: The 440 million strong millennial population of India are a strong force behind increased popularity of foods with purpose driven positioning like healthy, clean label, and vegan. Health aware millennials with a high disposable income and willingness to spend on their well-being are an important customer segment of this market.
- E-Commerce penetration: today India is home to more than 150 million online shoppers, largely residing in tier-II and tier-III cities. The broader reach of these platforms has reduced barriers to entry for smaller health wellness brands, promoting customer trials.

Increase in Healthy Snacks Consumption

The snacking industry of India is expected to reach INR 1 billion by the end of 2024. This transition in consumption – from regular meals to packaged food, is now embracing a new concept of healthier packaged food.

Healthy snacks is an emerging extension within the snack market. These are food products that are considered nutritious or beneficial for a healthy diet, which are generally consumed in between meals. Health in snack food is a flexible term. In a commercial setting, healthy snacks often include a statement or claim that promote the healthy or nutritional value of the product, for example:

- Snacks with reduced amount of unhealthy ingredients: reduced sugar, less fat, no preservatives, or additives.
- Snacks with ingredients that promote health: omega-3, wholegrain, plant protein, fibres.
- Snacks developed for a specific objective or diet: gluten-free, vegan, energy snacks for sports.

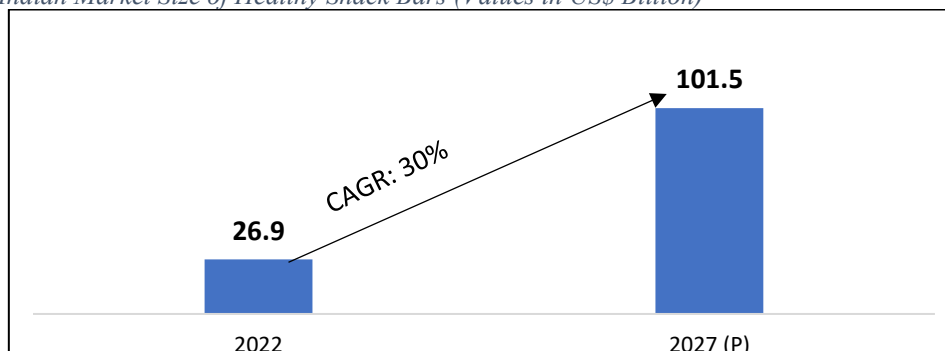
Numerous brands have emerged within this category, offering a variety of products from snack bars to trail mixes, as an attempt to cater to different consumer groups.

| Bars | Trail Mixes & Superfoods | Kids Snacking | Healthy Snack |
|---|---|--|---|
|    |     |    |     |

Healthy Snack Bars

The demand for quick bites has increased for saving time in this busy life and healthy bars is the perfect option for the consumer. The Indian market size of healthy snack bars is estimated at US\$ 27 billion in 2022 and is growing at a CAGR of 30%.

Figure 5: Indian Market Size of Healthy Snack Bars (Values in US\$ Billion)



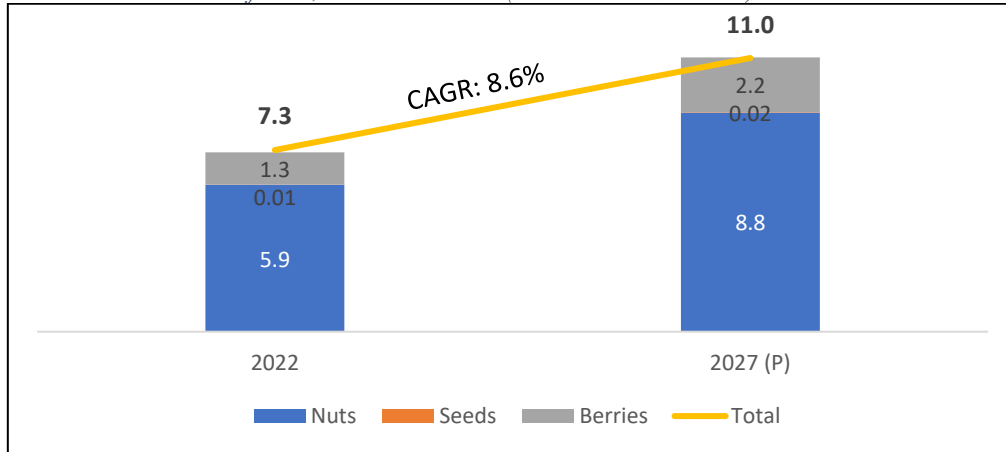
Segments of Healthy Snack Bars:

- Cereal bars
- Energy bars
- Weight loss bars
- Nutrition bars
- Other bars

OVERVIEW OF NUTS, SEEDS & BERRIES

The Indian edible nuts, seeds and berries market size is valued at US\$ 7.3 billion in 2022 and is expected to grow at a CAGR of 8.6%. Nuts have a dominant share in the Indian market.

Figure 6: Indian Market Size of Nuts, Seeds & Berries (Values in US\$ Billion)



- Almond – Jammu & Kashmir is the largest producer of almonds (95% share) in India. The nut is also produced in limited quantities in the states of Himachal Pradesh and Maharashtra. However, it must be noted that most of the almond in the Indian market is imported from the USA.
- Walnut – Jammu & Kashmir (80% share), Himachal Pradesh, and Uttarakhand are the leading walnut producing states in India.
- Pistachio – Almost 99% of pistachios in India are grown in Jammu & Kashmir.
- Peanut is grown mostly in five states namely Andhra Pradesh, Gujarat, Tamil Nadu, Karnataka, and Maharashtra, and together they account for about 90% the crop's total area.
- Cashew nut is an important dry fruit grown in eight states in India namely Andhra Pradesh, Goa, Kerala, Karnataka, Orissa, Maharashtra, Gujarat, and Tamil Nadu, with Maharashtra leading the crop growth.
- Raisins are mainly produced in Sangli, Solapur and Nashik districts of Maharashtra and Vijayapura and Bagalkot districts of Karnataka
- Sunflower seeds – Karnataka (80%), Andhra Pradesh, Bihar
- Flax seeds – Madhya Pradesh & Uttar Pradesh (60%)
- Pumpkin seeds – Orissa & Uttar Pradesh (60%)

Transition from Unorganised to Organised Sales

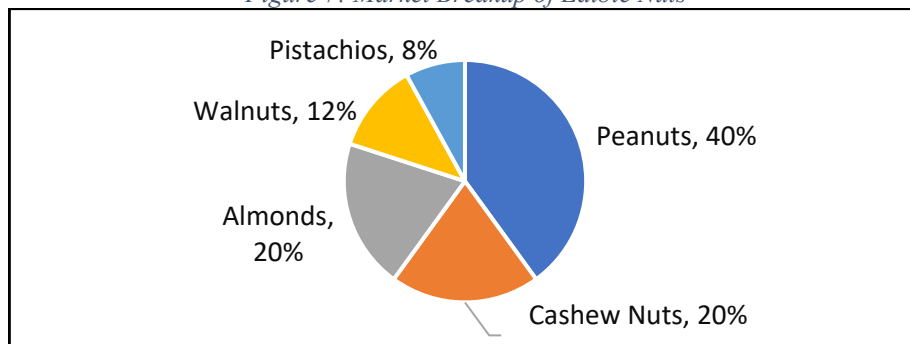
Majority of sales in the nuts, seeds, and berries market is dominated by unorganised channels wherein these are sold openly in local markets. This market has a wide prevalence of loose, unbranded, and un-packaged products which are not always hygienically processed, thereby carry a risk of adulteration.

However, the share of organised sales has been on the rise, with more brands coming up each year in the retail market. A detailed breakup of the existing channel wise sales has been provided below:

Edible Nuts

The Indian edible nuts market size is valued at US\$ 5.9 billion in 2022 and is expected to grow at a CAGR of 6.7%. Peanuts dominates the Indian market with a value share of 40%, followed by cashew nuts and almonds with a value share of 16% each.

Figure 7: Market Breakup of Edible Nuts



Brand Segmentation of Edible Nuts Market

The mass segment makes up for 70% of the edible nuts market and most of the nuts are sold openly in the market or by local brands across the region. The mid premium and premium segment contribute 20% and 10% respectively.

Leading brands of edible nuts in India include: Happilo, Nutraj, Tulsi, Solimo, Vedaka, 24 Mantra, Delight nuts, Big Basket, among others.

Product Wise Price Analysis

| Edible Nut | Price Range (INR) |
|-------------|--------------------|
| Almonds | 275-280 per 200 gm |
| Cashew Nuts | 250-450 per 200 gm |
| Walnuts | 200-500 per 200 gm |
| Pistachios | 325-425 per 200 gm |
| Peanuts | 80-140 per 500 gm |

Growth Drivers of Edible Nuts Market

- Rising health & wellness awareness
 - Increasing per capita consumption of various nuts is an indicator of the increasing demand
 - Significant promotions by the industry is also helping the consumers to understand the health benefits and various applications
 - Increasing disposable income and convenience factor also favour the industry growth
- Increasing application in the food & beverage industry
 - Increasing adherence toward traceability and food safety of the nuts sourced are encouraging, especially for the products sourced from developing countries
 - Sustainability and focus on carbon footprint are seen as the supply assurance strategies by consumers
- Research and development
 - Development of new varieties with high-yield potential and drought/disease/pest resistance are the key factors in the growth of the edible nuts market

Edible Seeds

The edible seeds category has been nascent in India for the past few years with a growth rate of ~5%. This has been due to the lack of awareness around the category (demand factor) and limited supply because of a few small players in the market. This trend is pegged to change because of increasing awareness and push by the penetration of online players. The market for edible seeds is pegged to grow at ~10% CAGR in the coming 5 years.

The market is expected to witness the entry of new players with increasing demand for edible seeds. It is also expected to be highly fragmented during this growth phase with possibilities of consolidation in the long term.

Brand Segmentation of Edible Seeds Market

The economy segment makes up for 85% of the edible seeds market and is dominated by local/regional seed stores. With consumer becoming more health conscious, the premium segment is expected to grow exponentially over the years and more brands to enter this market. The premium segment on the other hand contributes the remaining 15%.

Leading brands of edible seeds in India include: Happilo, Delight nuts, True Elements, Rostaa, Tong Garden, Sattvic Foods, among others.

Key Product Variants

| | | | | |
|----------------|-----------|-----------|--------------|-----------------|
| Sunflower Seed | Flax Seed | Chia Seed | Pumpkin Seed | Watermelon Seed |
|----------------|-----------|-----------|--------------|-----------------|

While there are five major seed categories, it has been observed that companies are trying to differentiate their products by introducing flavour and seed combination variants in the market.

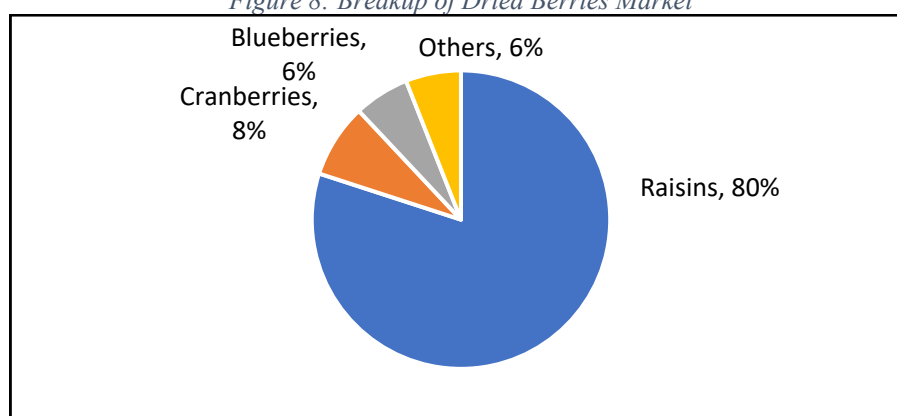
Product Wise Price Analysis

| Edible Seed | Price Range (INR) |
|--------------------|--------------------------|
| Sunflower seeds | 100-210 per 200 gm |
| Pumpkin seeds | 230-310 per 200 gm |
| Flax seeds | 80-250 per 500 gm |
| Chia seeds | 350-500 per 500 gm |

Dried Berries

The Indian dried berries market size is valued at US\$ 1.3 billion in 2022 and is expected to grow at a CAGR of 10%. Raisins dominates the Indian market with a value share of 80%. Other dried berries (strawberries, prunes, goji berries) have a share of 6% in the Indian market.

Figure 8: Breakup of Dried Berries Market



Brand Segmentation of Dried Berries Market

The mass and economy segment makes up for 90% of the dried berries market. Raisins have a dominant share in the overall dried berries market. Blueberries and cranberries are mostly imported and still need to reach the mass segment of Indian market. The premium segment contributes the remaining 10% to the overall market.

Leading brands of dried berries in India include: Happilo, Nutraj, Rostaa, True Elements, Vedaka, Big Basket, among others.

Product Wise Price Analysis

| Dried Berry | Price Range (INR) |
|--------------------|--------------------------|
| Raisins | 100-145 per 200 gm |
| Blueberries | 590-750 per 200 gm |
| Cranberries | 295-370 per 200 gm |

Growth Drivers of Dried Berries Market

- Surging preference for healthy, organic substitutes is a contemporary trend expected to drive the market, owing to factors such as rise in disposable income and prevalence of heart diseases and hypercholesterolemia among other chronic diseases.
- Growing application in baby food, cereals, healthy snack bars, ice creams, exotic chocolates, and other products has augmented the product demand.
- Product innovations in cereal and snack bar categories and growing appeal of natural and organic ingredients in countries.
- The ever-increasing demand for organic consumables, especially among aging population coupled with changing lifestyle of consumers due to increasing awareness about health, is anticipated to drive the global dried berries market.
- Rising per capita consumption of bakery and confectionary products.

CONCLUSION

India's consumption pattern has seen a great shift since the 90's. It went from embracing the regular meal as the only source of nutrition to having tonnes of food options to choose from. This transition was drastic & saw visible health repercussions as people moved to packaged food.

Today, the desire of consumers for self-preservation, enhanced vitality, and preventing the onset of illness in the short and long term is urging them to proactively make lifestyle and product choices that can not only alleviate these concerns, but also their enhance quality of life. They are slowly shifting from not eating just packaged food but healthy packaged food.

Given that dry fruits and nuts are nutritious, gluten-free, vegan, and very friendly to the Indian palate, many derived products such as bars, laddus, and bakery products are already popular. India is expected to witness a massive demand for dry fruits and nuts as healthy snacking alternatives in multiple product formats like on-the-go sachets, snack bars, breakfast bars, bliss balls, and nut butter cups infused with nuts and dried fruits.

OUR BUSINESS

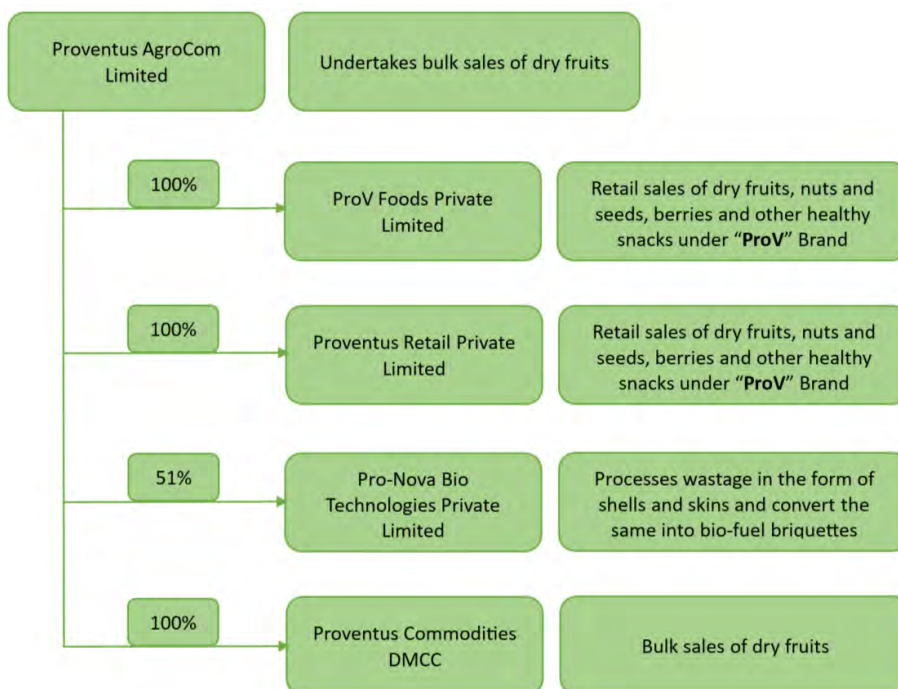
OVERVIEW

We are an integrated health food brand with our presence in entire range of dry fruits, nuts, seeds and berries and healthy snacking products across the value chain. Our approach in the space focuses on diversifying across the baskets and intensifying our presence across the value chain; in the end, being a ‘one-stop shop’ for our consumers. The motto of Proventus is to create expertise in healthy food products and build the revenue stream by moving across the value chain from origination to distribution and creating an integrated business model - from “farm to homes”. The fundamental cornerstone of our approach is to capture the demand and supply stream by developing a stable base of sourcing and distribution.

There is a large vacuum in the “healthy snacking” space in India especially in the dry fruits, nuts, seeds and berries category. In the last few years, there has been a shift in consumer preference from unbranded / loose produce to branded products all the way down to Tier 2 city kirana stores also. As consumer preference gravitates towards better quality branded produce, they are looking for a trustworthy brand offering innovative products from natural to flavour augmented healthy snacks - this is where ‘ProV’ is positioned with its wide range of healthy snacks in the dry fruits, nuts, seeds and berries category. With its pan-India distribution and easy availability, ProV aims to be THE brand consumers think of whenever they want to buy nuts or dry fruits.

With growing consumer awareness, health and nutrition increasingly forming an inextricable attribute of new-age food culture, our snacking items as well as habits are gravitating towards healthy snacking in general. Also, post the Covid-19 pandemic, the world has evolved - be it business or lifestyle. And since this has not been restricted merely to urban areas and big cities but is also developing demand into rural pockets, healthy snacking has become a top priority. Indian households are likely to increase their spending on health-focused foods and beverages in the next few years, as consumers are increasingly shifting to healthier alternatives and buy foods with better ingredients. As health and hygiene increasingly becomes the deciding factor for consumers, they are now consciously avoiding open unpackaged dry fruits and unhealthy snack offerings. Instead, they are increasingly moving to packaged dry fruits and healthy snacks. In recent past, the Covid-19 pandemic scare and increased focus on healthy lifestyle has particularly given a fillip to such packaged products, thereby increasing their demand.

Our business structure is as under:



Proventus Agrocom commenced its business operations in the agro produce segment by undertaking bulk trades to capture the demand and supply stream by developing a stable base of sourcing and distribution with efficient risk management practices. The motto of Proventus is to create expertise in healthy food products and build the revenue stream by moving across the value chain from origination to distribution and creating an integrated business model - from “farm to homes”. Today Proventus imports majority of the dry fruits, seeds, nuts and berries which are sold directly by Proventus Agrocom and also used by its Material Subsidiaries to meet part of their requirement for retail brand business under “ProV” and creating new products.

On the strength of stable capabilities in sourcing and procurement, the Company gradually expanded its operations in entire range of dry fruits, nuts, seeds and berries and healthy snacking products across the value chain and creating a business model that covers sourcing from farm / mandi to secondary processing, packing and sale with support of bulk sales and white labelling activities. With a presence in the APMC, Navi Mumbai (“Agricultural Produce Market Committee”) and broker network & indirect distributors in various states, Proventus Agrocom is able to sell bulk produce both processed and unprocessed across various products. The Company has also displayed its ProV brand products for retail sales at its shop in APMC, Navi Mumbai.

In the last three years, we have developed direct relationships with 45+ growers and / or suppliers across the globe including California, Chile and Afghanistan.

In 2017, we launched the brand “ProV” and today we have 100+ SKUs offering through our subsidiaries, ProV Foods and Proventus Retail, that include the premium quality of dry fruits including almonds, cashews, walnuts, raisins and pistachios, sourced from the orchards across India and abroad. We believe that each of the ProV product goes through stringent quality controls ensuring that our product reaches our customers with a promise of the best quality natural product. We aim to inspire healthier choices for nutritious living and sustained wellbeing by facilitating our customers with nature’s most nutritious snacks. With the strength of our promoter background and experience in the agro produce industry, efficient backend channels and distribution chain, ProV Foods, aims to target the growing lifestyle conscious buyers to expand its presence. ProV has a FSSC 22000 compliant processing plant admeasuring 3,025 sq. mtr situated at Gen 71/2, TTC Industrial Area, Mahape, Navi Mumbai.

ProV Foods has received the notice of termination of the agreement on January 15, 2023 for vacating the aforesaid premises situated at Gen 71/2, TTC Industrial Area, Mahape, Navi Mumbai. As agreed by the lessor for the said premises vide e-mail dated January 17, 2023, the said premises has to be vacated within a period of four months from the date of such notice. The same has been further extended by three months agreeing to allow vacation of the premise by August 14, 2023. To continue its manufacturing operations, ProV Foods has taken a new premises on lease, admeasuring 1,800 sq. mtr at Plot No. A-793, TTC Industrial Area, Khairane, Navi Mumbai for shifting its processing plant from the present location. ProV Foods will plan shifting in a manner which will minimise the impact of closure of production facility supported with increased holding of stock of packaged products to meet any demand due to any shutdown of facility. The Company has commenced the process for obtaining requisite registrations from relevant regulatory authorities for its manufacturing plant at the new location. For details of the application made by the Company till date, refer to the Chapter titled “Government and other Statutory Approvals” on page 263 of the Prospectus.

ProV offers something for every consumer in terms of price points, produce size or flavours. ProV has six brand segments, namely ‘ProV Select’ which is the economical at home daily consumption category, ‘ProV Premium’ which is the flagship high quality category, ‘ProV Regal’ which is the luxury jumbo sized produce category, ‘ProV Flavours’ which is augmented with flavours, ‘ProV Fusion’ which is a line of exquisite trail mixes, and the most recently launched ‘ProV Minis’ for pick-and-go needs and replacement to unhealthy junk snacks at a price point of just INR 30 each pack. The “ProV” brand is used by our subsidiaries ProV Foods and Proventus Retail for the consumer packs sold through retail channel.

Apart from our own website, ProV products can be found and ordered from all leading ecommerce websites like Flipkart, Amazon and Bigbasket and are also available in retail stores like Dmart, More Retail, Metro Cash & Carry, etc as well as in the neighbourhood kirana shops.

In the past three years, ProV has steadily gained popularity as a smart snacking choice for health-conscious consumers and resulting in a CAGR growth of revenue from operations of 47.99% during the financial year ended March 31, 2020 and March 31, 2022. As of December 31, 2022, ProV brand has an average sales of ₹ 1,689.75 lakhs per month during the nine months period ended on that date. Founded by Durga Prasad Jhavar, Deepak Kumar Agrawal and Shalin Sanjiv Khanna, including Shree JMD Investment Advisors LLP, ProV’s leadership

team has more than 100+ years of cumulative experience in the end-to-end agri produce value chain. The brand is also backed by Chef Sanjeev Kapoor and KS Narayanan.

Our other subsidiary, Proventus Retail is also in the business of sale of healthy snacks under the ProV brand to selected customers in different business channels.

Proventus Commodities DMCC undertakes business in the bulk sales of dry fruits.

Pro-Nova Bio Technologies Private Limited is presently engaged in the business of processing of wastage in the forms of shells and skins and convert the same into bio-fuel briquettes. These bio-fuel briquettes sold by Pro-Nova Bio are used primarily for burning in boilers as green fuel. Our Company owns 51% stake in Pro-Nova Bio. The revenue from operations of Pro-Nova Bio Technologies Private Limited for the nine months period ended December 31, 2022 and financial years ended March 31, 2022 and March 31 2021 was ₹ 145.91 lakhs, ₹ 73.25 lakhs and ₹ 11.68 lakhs respectively constituting 0.46%, 0.18% and 0.04% of the restated consolidated revenue from operations during the said period. The said facility is situated within the factory premise of ProV Foods. ProV Foods has now taken a new premises on lease situated at Plot No. A-793, TTC Industrial Area, Khairane, Navi Mumbai for shifting its processing plant from its present factory premises. Once ProV Foods shifts its factory premises, Pro-Nova Bio Technologies Private Limited will find a separate premises for its business operations and will obtain necessary approvals, accordingly. Till then the operations of Pro-Nova Bio Technologies Private Limited will be discontinued and the wastage in the forms of shells and skins of the dry fruits will be disposed of by ProV Foods directly to outside parties. The revenue from operations of Pro-Nova Bio Technologies Private Limited is insignificant vis-à-vis the revenue from operations on consolidated basis and thus do not foresee negative impact on the financial position of the Company due to temporarily discontinuance of such operations.

Financial summary

Our Key Financial and other Operational Performance Indicator relevant to our business are:

(₹ in lakhs unless otherwise stated)

| Particulars | Nine months period ended December 31, 2022 | Financial Year ended March 31, | | |
|--|--|--------------------------------|-----------|------------|
| | | 2022 | 2021 | 2020 |
| Revenue from operations | 31,798.26 | 40,326.68 | 30,087.50 | 89,620.14 |
| EBITDA | 400.33 | 349.91 | 310.51 | (2,167.47) |
| Restated profit after tax | 189.82 | 114.12 | 187.90 | (2,190.46) |
| Current Assets | 8,776.20 | 9,130.22 | 7,825.47 | 7,885.68 |
| Current Liabilities | 3,383.45 | 3,726.55 | 2,961.94 | 3,207.14 |
| Short term Loans | 2,201.16 | 2,322.55 | 2,219.87 | 978.33 |
| Long term Loans | 859.97 | 1,121.50 | 720.85 | 750.21 |
| Total Borrowings | 3,061.13 | 3,444.05 | 2,940.72 | 1,728.54 |
| Net Worth | 5,483.31 | 5,282.75 | 5,160.50 | 4,979.58 |
| Basic & Diluted earnings / (loss) per Equity Share with a nominal value of ₹ 10 (in ₹) * | 6.89 | 4.14 | 6.82 | (79.49) |
| Return on net worth (%) * | 3.08% | 1.91% | 3.22% | -38.68% |
| Net asset value per share | 223.80 | 216.52 | 212.08 | 205.52 |
| Total Debt Equity Ratio | 0.56 | 0.65 | 0.57 | 0.35 |

* Not annualised for the nine months period ended December 31, 2022

Note:

1) The ratios have been computed as below:

(a) Basic earnings per share (₹): Net profit after tax, as restated for calculating basic EPS / Adjusted Weighted average number of equity shares outstanding at the end of the period or year

(b) Diluted earnings per share (₹): Net profit after tax, as restated for calculating diluted EPS / Adjusted Weighted average number of equity shares outstanding at the end of the period or year

(c) Return on net worth (%): Net profit after tax, as restated / Adjusted Net worth at the end of the period or year

(d) Net assets value per share (₹) -: Adjusted Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year

(e) Adjusted Net worth has been calculated as sum of Equity Share Capital and Reserves and surplus (comprising of Securities Premium, Foreign Currency Translation Reserve and Surplus of Profit and Loss Account) and ₹ 228

per Equity Share (₹ 9 towards face value and ₹ 219 towards securities premium) paid by the shareholders of 3,00,000 Equity Share post the last balance sheet date of December 31, 2022.

While arriving the Adjusted ratios as above: Networth, Number of equity share outstanding as on the end of year/period, weighted average number of equity shares outstanding during the year/period and Weighted average number of diluted equity shares outstanding during the year/period has been adjusted such that as if the partly paid up equity shares were made fully paid-up equity shares at the beginning of the earliest period reported.

For details, refer to “Restated Consolidated Financial Statements – Statement of Mandatory Accounting Ratios” on page 212.

Sales mix and the geographical presence

The following table sets forth certain information on the relative sales contribution of our product categories in the periods indicated on consolidated basis:

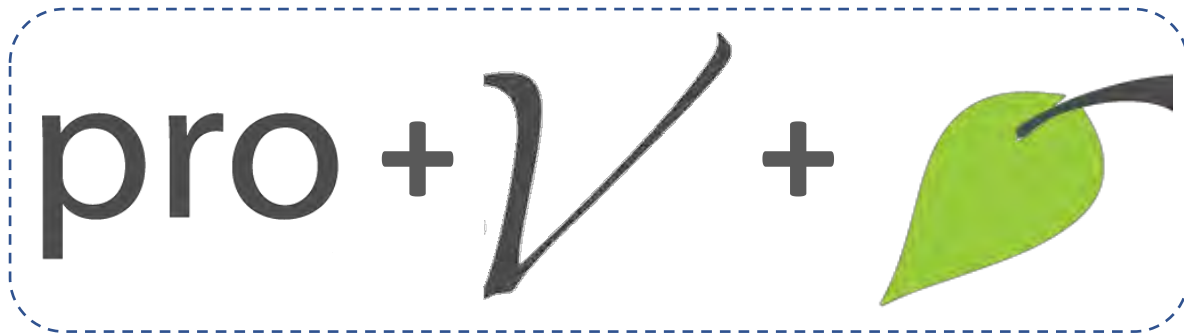
| Category | Nine months period ended December 31, 2022 | | Fiscal | | | | | | CAGR (Fiscal 2020 Through Fiscal 2022) (%) |
|---|--|---------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|--|
| | | | 2022 | | 2021 | | 2020 | | |
| | Amount (₹ lakhs) | %age of total sales | Amount (₹ lakhs) | %age of total sales | Amount (₹ lakhs) | %age of total sales | Amount (₹ lakhs) | %age of total sales | |
| Bulk sales & white labelling (dry fruits, nuts & seeds) | 15,322.84 | 48.36% | 29,687.88 | 73.72% | 23,748.90 | 79.08% | 38,540.86 | 43.00% | -12.23% |
| “ProV” brand sales (Retail packaging) | 15,207.75 | 47.99% | 7,676.15 | 19.06% | 4,982.72 | 16.59% | 3,505.01 | 3.91% | 47.99% |
| Bulk sales (other commodities) | 1,156.63 | 3.65% | 2,727.17 | 6.77% | 1,299.02 | 4.33% | 47,490.55 | 52.99% | -76.04% |
| Sale of shares | - | 0.00% | 178.90 | 0.44% | - | 0.00% | 83.71 | 0.09% | 46.19% |
| Total | 31,687.22 | 100.00% | 40,270.11 | 100.00% | 30,030.64 | 100.00% | 89,620.14 | 100.00% | -32.97% |

We also sell our ProV brand products across over 15 states and the contribution to our revenues was as under:

| “ProV” brand sales (Retail packaging) | Nine months period ended December 31, 2022 | Fiscal | | |
|---------------------------------------|--|-----------------|-----------------|-----------------|
| | | 2022 | 2021 | 2020 |
| Kerala | 2,897.42 | 1,700.79 | 707.10 | 537.36 |
| Tamil Nadu | 2,212.18 | 1,668.55 | 630.06 | 827.59 |
| Karnataka | 1,974.38 | 1,205.35 | 732.88 | 537.65 |
| Maharashtra | 2,356.78 | 747.15 | 437.25 | 561.57 |
| Telangana | 1,068.34 | 572.92 | 429.13 | 209.68 |
| Haryana | 867.71 | 291.76 | 648.68 | 44.29 |
| Madhya Pradesh | 450.29 | 374.83 | 281.81 | 546.22 |
| Gujarat | 1,088.95 | 322.65 | 55.35 | 30.66 |
| Andhra Pradesh | 554.74 | 276.98 | 114.08 | 17.65 |
| Uttar Pradesh | 175.95 | 94.09 | 421.56 | 1.18 |
| West Bengal | 533.21 | 96.89 | 52.23 | 2.07 |
| Punjab | 353.49 | 0.03 | 228.53 | 0.16 |
| Chhattisgarh | 155.35 | 114.33 | 93.43 | 96.99 |
| Rajasthan | 177.47 | 85.61 | 99.62 | 88.12 |
| Bihar | 163.68 | 117.75 | 28.78 | 0.99 |
| Others | 177.82 | 6.46 | 22.23 | 2.84 |
| Total | 15,207.75 | 7,676.15 | 4,982.72 | 3,505.01 |

What does our brand “ProV” stands for

ProV stands for Protein in every bite, loaded with multivitamins that are vegan, natural, and extremely healthy. It focuses on three essential pillars of success - quality produce, farm-to-table approach, and a multitude of convenient choices for consumers.



Proteins in every bite

Loaded with multi vitamins

Vegan + Natural + Healthy

Our products

We presently offer our products under the brand ProV in the following packaging:

| proV Products | | | | | |
|-------------------------------------|------------------------------------|-------------------------------------|---------------------------------|---|---|
| Presence across different segments | | | | | |
| | | | | | |
| Economical | Flagship Brand | High Quality Produce | Flavour Snacks | Pick and go | Party Snack |
| Industry standard quality | Better than Industry standard | High quality | Industry standard quality | Industry standard quality | Better than Industry standard |
| Economical pouches in varying sizes | Zip lock pouches in standard sizes | Premium packaging in standard sizes | Quirky flavors in varying sizes | Handful of dry fruits in varying sizes | Exotic to Standard Mixes - Indianized Flavors |
| Value for money products | Snacking products | Luxury products | Snacking products | Small snacking products | Proportionate mixes of sweet and Savory |
| Pantry storage & consumption | Daily consumption | Gifting purposes | Daily consumption | On the go consumption - Impulse Buy at 30/- MRP | Party and evening Snacks |

The products are bifurcated into the following segments:



| | |
|--|--|
| <p>Premium snacks vis-à-vis the competition</p> |  |
| <p>Range of gifting / novelty</p> |  |
| <p>Flavour snacks for parties</p> |  |
| <p>Fusion - Party and evening snacks</p> |  |
| <p>Minis - Pick and Go</p> |  |



Almonds

Almonds is one of the first dried fruits and nut products that came into Focus for us at Proventus. With a setup in the APMC, Navi Mumbai, we began with localized trading of Almond Kernel and Inshell Almond. Post which, following the margin, we stepped into the direct imports from origin farms in California, USA and Australia. We increased our reach to the growers and suppliers internationally and simultaneously gained understanding of the intricacies of Inshell Almond Processing via job work partner(s) in Mumbai. With this product knowledge, a hold on Sourcing and distribution both internationally and locally, we were able to set up our own Processing Plant. With this sourcing strength, own processing facility and focus on quality production, we are now supplying to various modern retail houses in India including but not limited to Reliance Retail, Dmart, More Retail and Metro Cash & Carry. Almond is also one of the first products supplied in our own brand ProV. With our current experience in the product, we are able to service the almond needs of diverse clientele - wholesale traders, retail consumers, modern retail, white labels packers and processors; and in diverse forms - the whole natural, roasted, salted and in various flavours.

Pistachios

Using our diverse network of overseas and local suppliers, we have been able to build a steady procurement chain in the Pistachio sphere, covering both Californian and Irani origin Pistachios. We have developed a relationship with the growers and suppliers of quality Pistachios in United States of America garnering the ability to directly source from them and becoming an integral part of the growth of sales and pistachio market development in India. Further to this, we have developed an in-house ability to process and flavour pistachios in our in-house facility to meet the demand of Indian consumer tastes. With an ability to source and provide in-shell pistachios, flavoured in-shell pistachios, pistachio kernels of varying sizes, we have had the ability to distribute the produce to meet varying demand of our consumers.

Cashews

With India being one the largest producers, processors and consumers of cashews in the world - we at Proventus were already poised to take advantage of a large and diverse nuts market of which cashew nuts form a major chunk. With a pan India presence, we have been able to source both, raw and processed cashews from major suppliers / processors in India. With the relationships with Import and local raw cashew nut suppliers, we have developed a large supply network capable of meeting the robust demand of both wholesale and retail packaged nuts market including whole natural, roasted, salted and also in various flavours.

Walnuts

At Proventus we have developed a supplier network to procure locally as well as import walnuts (in-shell and kernel) from varied suppliers in California, USA and Chile, South America. With the stable sourcing capability, we are able to maintain a constant supply of walnuts across the year. Further, we have developed an in house capability of hand cracking and sorting 150 MT (approx.).

Raisins

At Proventus we have developed a diverse raisin portfolio, covering Indian and Afghani raisins of all shapes, sizes, colours and variants from farms providing better quality products. We primarily procure raisins from Sangli, India origin Golden sun-dried raisins and Afghani black raisins sun-dried seedless and with seed. These raisins are sorted by hand as well as automated visual sorting machine to ensure the most select raisins are supplied to final consumers.

Trail mix

Trail mix is a combination of dry fruits, nuts and seeds created by us which is rich in fiber and nutrients, to be eaten as high energy snack food. It can be used as mid meal snack to provide quick energy boost from the carbohydrates and sustained energy from fat in dry fruits, nuts and seeds.

Other Dry Fruits, Nuts, Seeds & Berries

The nuts and seeds portfolio is ever increasing; continuously building on our global sourcing and local distribution network. This continually expanding portfolio includes but is not limited to

- Fig, apricot, dates
- Sweet and sour berries: such as cranberries and blueberries
- Superfoods and seeds: such as quinoa, sunflower seeds, pumpkin seeds, chia seeds and flaxseeds
- Dried Fruits: such Pineapple, kiwi, mango, etc which add to the natural candied section of our product portfolio
- High-fat nuts: such as macadamia, brazil and hazelnuts

OUR MANUFACTURING / PROCESSING FACILITY AND PROCESS

We have one existing processing facilities located situated at Gen 71/2, TTC Industrial Area, Mahape, Navi Mumbai, held through our subsidiary ProV Foods. However, ProV Foods has taken a new premises on lease, admeasuring 1,800 sq. mtr at Plot No. A-793, TTC Industrial Area, Khairane, Navi Mumbai for shifting its processing plant from the present location. We have also leased a cold storage facility located at Agro Fresh Cold Storage, C-256, MIDC, Pawne, Navi Mumbai - 400 703, Maharashtra, India being utilized for our stock. The said cold storage facility enables us to store raw material. Gross additions to property, plant and equipment and intangible assets were ₹ 27.59 lakhs, ₹ 91.69 lakhs, ₹ 240.99 lakhs and ₹ 190.59 lakhs, in the nine months period ended December 31, 2022 and Fiscal 2020, 2021 and 2022, respectively. These additions were primarily in connection with the plant and equipment and balancing equipment to increase production capacities and modernise our manufacturing facilities.

Our manufacturing facility uses standardized production and management systems on product formulation, processing, and quality control. Quality managers ensure quality standard for our products, enabling us to manufacture products with consistent taste and quality.

Our sourcing and distribution process for various products is as under:

Sourcing: Import

Being headquartered in a large consumption Nation - India, Proventus has been able to seize opportunities for directly sourcing and importing produce from around the globe - from quality packers and /or direct from farm gates. We import from 8 countries across the globe and having relationship with more than 45 growers and / or suppliers itself.

- Direct relationship with 30+ California packers
- Connects with 5+ suppliers from Afghanistan
- Connects with 5+ suppliers from Chile

The %age of import of raw material from various countries is as under:

| Name of countries | December 31, 2022 | | March 31, 2022 | | March 31, 2021 | | March 31, 2020 | |
|---|-------------------|---------------|------------------|---------------|-----------------|---------------|------------------|---------------|
| | Amount | %age* | Amount | %age | Amount | %age | Amount | %age |
| Afghanistan | 1,923.72 | 14.26 | 2,431.05 | 17.99% | 599.75 | 6.11 | 335.47 | 1.40 |
| Australia | - | - | 2,066.46 | 15.29 | - | - | 130.01 | 0.54 |
| Chile | 131.57 | 0.98 | 992.43 | 7.34 | 210.86 | 2.15 | 388.61 | 1.62 |
| China | - | - | 156.78 | 1.16 | - | - | - | - |
| Dubai | 132.66 | 0.98 | 69.51 | 0.51 | - | - | - | - |
| Iran | - | - | 81.24 | 0.60 | - | - | - | - |
| South Africa - Beninn | - | - | - | - | - | - | 161.78 | 0.67 |
| United Kingdom | 3,049.44 | 22.60 | 3,185.81 | 23.57 | 2,166.84 | 22.09 | 2,357.52 | 9.82 |
| United States of America | 8,253.76 | 61.18 | 4,533.09 | 33.54 | 6,833.27 | 69.65 | 20,625.13 | 85.94 |
| Value of imports made by the Company | 13,491.15 | 100.00 | 13,516.37 | 100.00 | 9,810.73 | 100.00 | 23,998.53 | 100.00 |

* As a percentage to the total value of imports

Sourcing: Local Procurement

With large domestic market itself, and with relationship build across mandi and local market over the years, we are able to source almost 40-50% of our needs from various domestic suppliers also so to ensure right quality is purchased at right prices

Processing**Primary Processing**

With its robust dry fruit sourcing and distribution network, Proventus ventured into value addition within this bucket with its on primary processing plants, converting raw produce to finished product for secondary processing or packing with a plant capable of processing 12,600 MT per annum inshell almond to almond kernel.

Secondary Processing

With the growing consumer demand for flavoured natural produce, Proventus further ventured into secondary processing of its products with a capacity of roasting and flavoring 720 MT per annum of dry fruits and nuts daily for onward sale and packing. A deeper dive into the sphere of secondary processing is underway with a focus to add a line of value added products such as nut milks, nuts flours, nut butters and granola bars. The process also involves fumigation of the dry fruits to ensure that the better shelf life of the products.

Distribution**Bulk Sales**

With a presence in the primary mandis and broker networks pan-India, Proventus is able to sell bulk produce, both processed and unprocessed, across the agro produce spectrum. Presence in bulks sales market also helps us to expand our network for sourcing and distribution of agro produce in which we deal.

Retail

Proventus ventured into the Retail space with its own brand ProV in 2017 and today sells its products through multiple sales channel, namely general trade, modern trade, e-commerce platforms and indirect distributors in more than 15 states.

Packaging**ProV (Private Label)**

As a natural progression across the value chain, Proventus developed its inhouse brand ProV - with an aim to capture market share in the dry fruits, nuts, seeds and berries. Achieving upwards of 1.5 lakh MT of monthly ProV sales covering 6 brand categories across 12 commodities with 100+ SKUs. In addition, we also supply processed dry fruits to certain customers as white labelled packaging.

Infrastructure facilities

For the plant of ProV Foods, the electricity connection is available with sanctioned load of 125 KW from Maharashtra State Electricity Co. Ltd. Further, the Company also use water connection from Maharashtra Industrial Development Corporation to meet its requirement.

Production Capacity and Capacity Utilisation

The information relating to the estimated annual installed capacities of our production facilities are based on various assumptions and estimates made by our management and Sapient Services Private Limited, independent chartered engineer, as certified by him pursuant to a certificate dated March 23, 2023. These assumptions and estimates may vary significantly from the assumptions or estimates taken into account by other companies operating in similar business segments in calculating the estimated annual installed capacities of their manufacturing facilities. As such, undue reliance should not be placed on the estimated annual installed capacity information of our facilities, and consequently on the utilization rates of these facilities indicated below. The following table sets forth certain information relating to the estimated annual installed capacities at our manufacturing facilities as of the date of this Prospectus, for the specified products:

(Figures are in MT)

| Product | Fiscal / Period | | | | | | | | | | | |
|--|---|-----------------------------------|---|---|-----------------------------------|---|---|-----------------------------------|---|---|-----------------------------------|---|
| | Nine months period ended December 31, 2022 | | | 2022 | | | 2021 | | | 2020 | | |
| | Average Estimated Available Capacity (metric tonnes) ⁽¹⁾ | Actual Production (metric tonnes) | Capacity Utilisation (%) ⁽²⁾ | Average Estimated Available Capacity (metric tonnes) ⁽¹⁾ | Actual Production (metric tonnes) | Capacity Utilisation (%) ⁽²⁾ | Average Estimated Available Capacity (metric tonnes) ⁽¹⁾ | Actual Production (metric tonnes) | Capacity Utilisation (%) ⁽²⁾ | Average Estimated Available Capacity (metric tonnes) ⁽¹⁾ | Actual Production (metric tonnes) | Capacity Utilisation (%) ⁽²⁾ |
| Primary Processing (Almond deshelling) | 12,600** | 3,555 | 38% | 9,000 | 4,052 | 45% | 9,000 | 5,112 | 57% | 9000 | 6,263 | 70% |
| Primary Processing (Walnut Deshelling) | 150 | 18 | 16% | 150 | 103 | 69% | 150 | 74 | 49% | 150 | 25 | 17% |
| Secondary processing (Flavouring) | 720** | 520 | 96% | 720 | 541 | 75% | 360 | 83 | 23% | 360 | - | 0% |
| Secondary processing (Packing) | 4,500** | 2,858 | 85% | 3500 | 1,699 | 49% | 2050 | 1,245 | 61% | 1,075 | 501 | 47% |

* Installed Capacity is calculated based on single shift of 8 Hrs / day of 25 days a month.

** Please refer annexure II

(1) Average estimated annual available capacity has been calculated on the basis of the estimated daily available capacity for the relevant periods, as certified by Sapien Services Private Limited, Chartered Engineer pursuant to certificate dated March 23, 2023. Please note that average estimated annual available capacity of a manufacturing facility in a relevant fiscal period as discussed above may vary from the estimated annual installed capacity in such relevant fiscal period, as the average estimated annual available capacity takes into account adjustments for actual scheduled and unscheduled downtime during such period. The information relating to the estimated annual installed capacity and the average estimated annual available capacity of our manufacturing facilities included above and elsewhere in this Prospectus are based on various assumptions and estimates of our management that have been taken into account by the chartered engineer in the calculation of our capacity. These assumptions and estimates include the standard capacity calculation practice after examining the installed capacity, calculations and explanations provided by our management, the period during which the facility operates in a year, availability of raw ingredients, expected utilization levels, estimated downtime resulting from scheduled maintenance activities, assumptions relating to unscheduled breakdowns, as well as expected operational efficiencies. Actual production levels and capacity utilization rates may therefore vary significantly from the estimated annual installed capacity and the average estimated annual available capacity information of our facilities. Undue reliance should therefore not be placed on our capacity information or historical capacity utilization information for our existing facilities included in this Prospectus.

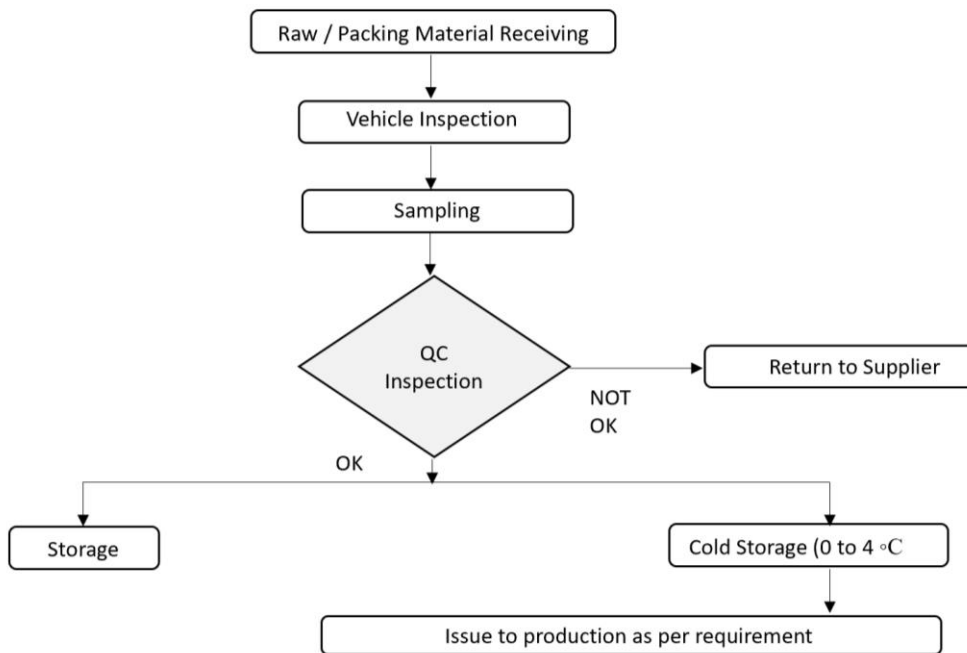
(2) Capacity utilization (on an annualized basis) has been calculated on the basis of actual production of the relevant product in the relevant fiscal year or period divided by the average estimated annual available capacity for the relevant product during such period.

Annexure II to the report of the Chartered Engineer

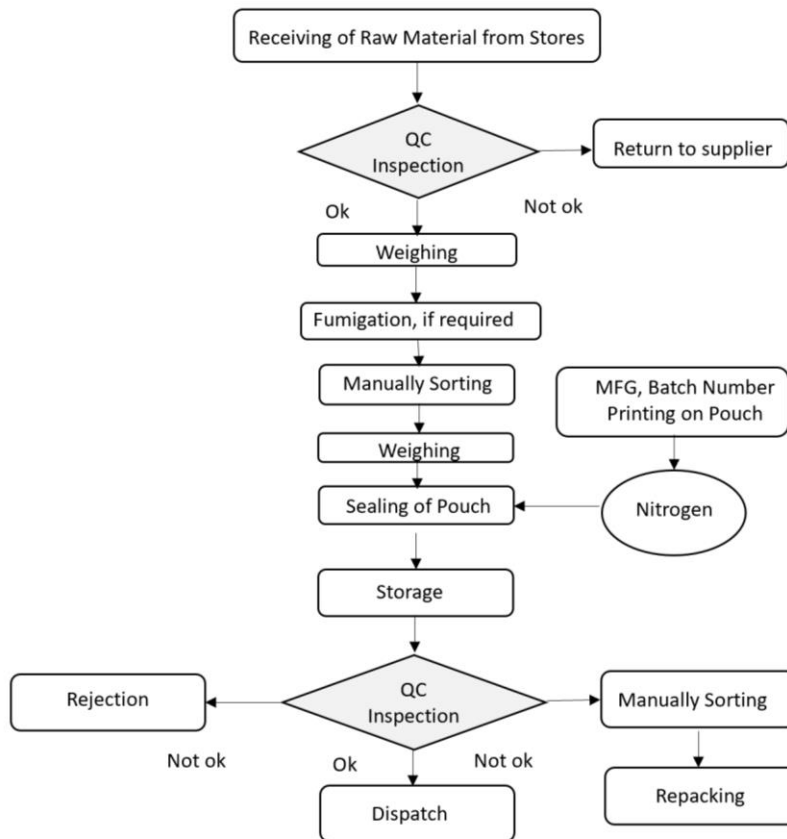
Machine wise installed capacity

| Processing Use | Machine Name and Type | Processing Line | No of machines /lines | Rated Capacity | | | Yearly Machine wise Capacity | Yearly line wise Capacity (MT) |
|--|---|--------------------------------------|-----------------------|-----------------------------|--|-----------------------|------------------------------|--------------------------------|
| | | | | Machine wise Capacity (MTD) | Average Capacity (MT per Hour per machine) | Shift per day (hours) | | |
| Primary Processing (Almond Deshelling) | Generic Almond Cracking Machine (small) | Deshelling Almonds | 6 | 5.000 | 0.625 | 8 | 9,000 | 12,600 |
| Primary Processing (Almond Deshelling) | Generic Almond Cracking Machine (large) | Deshelling Almonds | 2 | 6.000 | 0.750 | 8 | 3,600 | |
| Secondary processing (Flavouring) | Everbake rotary roaster | Standing tray roaster | 2 | 1.200 | 0.150 | 8 | 720 | 720 |
| Secondary processing (Packing) | Band sealing machines Generic | Manual labour packing line capacity | 4 | 2.000 | 0.250 | 8 | 2400 | 4500 |
| Secondary processing (Packing) | UFLEX pick and fill machine | PFS per line capacity (inc. sorting) | 1 | 3.000 | 0.375 | 8 | 900 | |
| Secondary processing (Packing) | UFLEX vertical fill seal machine | VFS per line capacity (inc. sorting) | 1 | 4.000 | 0.500 | 8 | 1200 | |

Raw and Packaging Material Receiving Process



Processing of dry fruits, nuts, seeds and berries.



Our quality control process is as under:

- Raw material scrutiny: as per set standard of count, moisture, and visual appeal apart from infestation traces
- NABL testing: NABL accredited lab testing prior to packing for raw material batches
- Online QC inspection: visual and moisture checking at every stage of packing
- Metal detector: for raw material and finished products
- Packing staff: FSSC oriented checks for loose items, personal hygiene and appropriate attire
- Food certified packing material and packing surfaces
- Fumigation of raw material where required
- Finished goods and raw material segregation
- Inhouse and external cold storage facility to maintain products shelf life. External facilities are availed from third parties based on the stock of raw material and finished goods stored from time to time
- Shelf life testing

Our customers & Suppliers

The following is the breakup of the top five customers/suppliers of our Company for the periods indicated on consolidated basis:

| Category | Nine months period ended December 31, 2022 | Fiscal | | | | | | |
|------------------|--|------------------|---------------------|------------------|---------------------|------------------|---------------------|-------|
| | | 2022 | | 2021 | | 2020 | | |
| | | Amount (₹ lakhs) | %age of total sales | Amount (₹ lakhs) | %age of total sales | Amount (₹ lakhs) | %age of total sales | |
| Top 5 customers | 12,049.36 | 38.03 | 16,269.67 | 40.34 | 9,827.95 | 32.66 | 45,355.87 | 50.61 |
| Top 10 customers | 16,084.10 | 50.76 | 21,703.95 | 53.82 | 14,223.97 | 47.28 | 53,147.49 | 59.30 |
| Top 5 suppliers | 8,157.66 | 25.74 | 9,518.66 | 25.57 | 6,471.13 | 24.48 | 14,786.81 | 22.13 |
| Top 10 suppliers | 11,461.91 | 36.17 | 13,900.28 | 37.34 | 9,849.48 | 37.25 | 23,457.64 | 35.11 |

OUR STRENGTHS

Diversified product portfolio focused on various consumer segments and markets

We believe that our understanding of the consumer palate and choice complements our product development capabilities, which has allowed us to develop a comprehensive portfolio in our product basket. As of February 28, 2023, our diversified product portfolio included more than 100 SKUs across all our product segments. We have launched packages of various sizes for our products. For example, our dry fruit products are available in packages ranging from ‘ProV Regal’ which is the luxury jumbo sized produce category, to recently launched ‘ProV Minis’ for pick-and-go needs and replacement to unhealthy junk snacks at a price point of just INR 30 each pack.

We generally maintain a consistent product pipeline at our manufacturing facilities and our relationship with our raw ingredient suppliers enable us to ensure that our manufacturing facilities operate efficiently. We believe that our focus on developing quality and diversified healthy snacks allows us to differentiate our offering from our competitors, as well as offering market and consumer-relevant products. We use a range of raw ingredients for our wide portfolio of products thereby reducing our dependence on any particular raw ingredient, resulting in our results of operations being less susceptible to price fluctuations or disruptions on account of supply of a single raw ingredient.

Extensive distribution network, arrangement with reputed chain stores and growing e-commerce channel

We sell our products under the brand “ProV” primarily through general trade, modern trade and e-commerce platform. The table below provides a channel-wise breakdown of our sales of food products under retail business in Fiscal 2022, 2021 and 2020, and in the nine months ended December 31, 2022:

| Category | Nine months period ended December 31, 2022 | | Fiscal | | | | | | CAGR (Fiscal 2020 Through Fiscal 2022) (%) |
|-----------------------------------|--|---------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|--|
| | | | 2022 | | 2021 | | 2020 | | |
| | Amount (₹ lakhs) | %age of total sales | Amount (₹ lakhs) | %age of total sales | Amount (₹ lakhs) | %age of total sales | Amount (₹ lakhs) | %age of total sales | |
| General Trade ¹ | 6,743.36 | 44.34% | 5,586.30 | 72.77% | 2,107.42 | 42.29% | 2,717.97 | 77.55% | 43.36% |
| Modern Trade ² | 4,887.65 | 32.14% | 127.01 | 1.65% | 1,734.27 | 34.81% | 124.77 | 3.56% | 0.89% |
| E-commerce platforms ³ | 3,303.32 | 21.72% | 1,685.80 | 21.96% | 987.14 | 19.81% | 170.26 | 4.86% | 214.67% |
| Others ⁴ | 273.42 | 1.80% | 277.04 | 3.61% | 153.88 | 3.09% | 492.01 | 14.04% | -24.96% |
| Total | 15,207.75 | 100.00% | 7,676.15 | 100.00% | 4,982.72 | 100.00% | 3,505.01 | 100.00% | 47.99% |

¹ Includes indirect distributors

² Includes large supermarkets, hypermarkets and retail chains

³ Includes B2B and B2C online distribution platforms

⁴ Includes sale of ₹ 6.11 lakhs in the nine months period ended December 31, 2022 and ₹ 4.72 lakhs in the financial year ended March 31, 2022 from the website of ProV Foods, i.e. www.provfoods.in

Over the years, we have developed a large indirect distribution network located across more than 15 states in India. We have developed longstanding relationships with most of our indirect distributors and they play a key role in ensuring that our products reach the end retailer in an efficient manner. We consistently engage with our indirect distributors as well as end retailers to collect product feedback and insights on market trends to drive our product development initiatives.

We have entered into arrangements with various modern retail channels including supermarkets, hypermarkets and retail store chains directly. Within India, we have entered into arrangements with multiple retail chains. Sales through these modern retail channels contributed 32.14%, 1.65%, 34.81% and 2.30% of our total sales in the nine months ended December 31, 2022 and Fiscal 2020, 2021 and 2022, respectively. Further, E-commerce platform channels include listing of our products on various large popular ecommerce platforms, distribution start-ups as well as our own website. Sales through ecommerce channels contributed 21.72%, 21.96%, 19.81% and 4.86% of our total sales in the nine months ended December 31, 2022 and Fiscal 2020, 2021 and 2022, respectively.

Established and stable sourcing base

We have an expansive supplier community base directly sourcing and importing produce from around the globe - from quality packers and /or direct from farm gates. We import from 8 countries across the globe and having relationship with more than 45 growers and / or suppliers itself. We also have a stable sourcing network in Indian market to procure the local agri produce, being used by us for our business. We focus on maintaining our relationships and growing our network of farms from which we procure agri produce, which we have nurtured and developed over time.

We endeavor to ensure consistency of quality of products through our stringent quality assurance processes. We focus on maintaining quality standards at each step of our process. Our supply chain at the scale and quality at which we operate may require significant investment, effort and time to replicate, which we consider a competitive advantage.

Capital-efficient and scalable retail model to capitalize on the industry growth profile driven by a rapid shift towards healthy lifestyle and hygienic food snacking trends, organized retail and increasing online penetration

We operate a capital-efficient and scalable retail model to capitalize on the high industry growth in the healthy snacking market in India. Since the Fiscal 2019 in which we launched our brand “ProV” under ProV Foods, we have grown at a CAGR of 47.99% and expended our presence to general and modern trade channels, including online e-commerce platforms.

Higher brand consciousness, increasing digitization, greater focus towards healthy lifestyle and hygienic food snacking trends are expected to further drive growth in this market (Source: Industry Report). As consumers seek better quality and a better overall taste with multiple snacking options, with the emergence of aspirational brands

with unique, differentiated offerings, increased trust in safety and pricing, the market is shifting rapidly towards branded and organized offerings. As one of the new generation brand, with more than 100 SKUs in this fast growing industry, we believe, we are well-positioned to capitalise on this shift.

Using dry fruits broken and shells and skins of the raw material to derive maximum value realisation

The general consumer behaviour and trend is to buy dry fruits which are complete in size with good appearance. However, dry fruits are prone to breakage during transportation and handling. Breaking of dry fruits does not result in loss of its nutritional value. To reduce value loss on account of breakage, we have introduced exquisite trail mix as one of our selling product under the brand “ProV Fusion”. Trail mix is developed by us as a mix of dry fruits, nuts and seeds, combined with a great taste, which acts as a healthy snack option on the go. This helps us to maximise the value realisation for our raw materials.

Further, the shells and skins of the raw material received by us, in natural form, are being converted into bio-fuel briquettes through our subsidiary, Pro-Nova Bio Technologies Private Limited. These bio-fuel briquettes sold by Pro-Nova Bio are used primarily for burning in boilers as green fuel.

Experienced Promoters and Management team

Our Promoters, has around 20 years, individually, in agro produce and commodity industry. They have been instrumental in managing our rapidly expanding operations, implementing strategic marketing and business initiatives, and focusing on financial performance.

We have a well qualified senior management team with extensive experience in the commodity and consumer goods and retail industry, which positions us well to capitalize on future growth opportunities. The heads of functional groups enhance the quality of our management with their specific and extensive industry experience.

KEY STRATEGIES

Creating a leading position of our flagship brand ProV to capitalize on the significant potential growth within our category, and further grow our new product offerings

One of our main strategies is to continue focusing on our own brand that we process and distribute. Sales of our own brands accounted for 47.99% of our revenue from operations on consolidated basis during the nine months period ended December 31, 2022 as compared to 3.91% in the fiscal 2020, when we had a significant bulk sales and white labelling business.

We intend to focus on establishing our Company as one of the leading companies in India which provides healthy snack options. We intend to continue to leverage our capabilities in understanding the healthy snacking industry and customer taste and preferences by introducing a wide range of products within the Indian healthy snacks market and emerge as a leading brand preferred by our consumers.

Increasing healthy snack awareness and consumption, and penetrating further into Tier-1 and 2 cities in India

The majority of our consumers are from the top urban centres in India, with top 5 customers contributing 38% of our over all sales during the nine months period ended December 31, 2022. Four out of the top 5 customers comprises of e-commerce platforms and modern trade channels. Our strategy is to increase our focus on the under penetrated markets in major Metros and other Tier-1 and 2 cities across India through similar trade channels. We focus on premiumization of our products when entering new markets to gain customer focus.

Our indirect distribution network enables us to increase the availability and visibility of our brand. We seek to continue to focus on increasing sales volumes in our geographies by expanding our indirect distribution network, optimizing our distribution operations and increasing product supply to the under-penetrated markets. These measures will enable us to increase the availability of our products which will in turn increase brand awareness and revenue.

Strengthening our business through effective branding, promotional and digital marketing activities

We intend to promote our brand “ProV” through different marketing channels to increase our brand visibility and recall. Product launches require significant investment, planning and product promotion through advertisements in local newspapers, magazines, television, social media, print media and other publications and engaging in brand association. As our business requires us to reach out to our target customers as well as indirect distributors, the effort and the exercise around product development is challenging and requires significant time and effort to ensure reach to our target customers and indirect distributors. We also intend to strengthen our existing brand building activities such as retail branding, web marketing, magazine advertising and outdoor advertising for marketing our products. We also engage in digital marketing efforts in order to target customers. We believe that growth in our products segment will lead to growth of our revenues and profitability. For the nine months period ended December 31, 2022 and the fiscals 2022, 2021 and 2020, our sales promotion, marketing and branding expenses were ₹ 16.72 lakhs, ₹ 86.20 lakhs, ₹ 1.69 lakhs and Nil, respectively.

Increasing penetration of consumer in healthy snacking market, a shift in lifestyle among the Gen Z population, and the adoption of healthy lifestyle are some of the key drivers that are assisting the rapid expansion of this industry. With a vision to capitalise on this opportunity, we aim to introduce new products and brands.

Capitalize on the increasing e-commerce penetration in Indian retail as well as within our category

The penetration of e-commerce in the Indian retail market continues to increase due to a number of factors such as an increasing acceptance of online shopping, the convenience of payment as well as a seamless customer experience. As a result, the e-commerce market in India has witnessed an accelerated growth.

The outbreak of the COVID-19 pandemic has accelerated the appetite for online purchasing and the e-commerce market has emerged as a crucial channel for food products. Also the health awareness has increased during the same period. We have made significant investments in our digital capabilities and also our distribution network. We generated 21.96% of our revenue from brand “ProV” through online e-commerce platforms during the fiscal 2022. We intend to capitalize on this position by further increasing sales through online marketplaces and also direct sales on our website, www.provfoods.in.

Increase the range of our products in healthy snacks market to develop a wider portfolio under the flagship brand ProV

Indian consumers often struggle with finding healthy snacking options for themselves and their families and often end up snacking on unhealthy snacks like chips and namkeens. The few healthy alternatives that exist tend to have higher price points not suitable for impulse purchases or to stock at local kiranas, or lack in flavour and taste. Recently ProV foods announced the launch of a new line of products called ProV Minis, which are small snack-packs of flavoured dry fruits, nuts and seeds that are ideal for healthy on-the-go nutrition. We intend to develop a wide portfolio of products for our customers, including beyond dry fruits and nuts & deed mix. and increase the range of products offered by our brands in adjacent healthy snacks categories. We intend to continue to develop new variants of our products to meet the taste of the consumers.

Continue to invest in our brands

We have created consumer brand “ProV” for our products being sold through ProV Foods. Further, ProV Foods have also entered into an agreement with Chef Sanjeev Kapoor and KS Narayanan having experience in food & FMCG for endorsement, advertisement and promotions of and providing services in relation to the brand, products and ProV Foods. The said agreement also gives a right to ProV Foods to exclusively use SK IP and attributes for the brand, products and ProV Foods during the term of the agreement and KSK shall also assist in development of new product recipe under the brand of ProV Foods. We will continue to invest in our brand building activities to educate Consumers about healthy food options and increase our brand awareness while maintaining our proposition of health and well being. Our approach is to invest in successful mediums of advertising, while also expanding our marketing presence to capture shifts in Consumers’ media consumption habits, such as in social media, digital media and embedded advertisements.

Enhance and expand operational efficiencies

We will keep focusing on expanding our operations and boosting operational efficiency at the manufacturing plant. Higher operational efficiency leads to increased production volumes and sales, allowing us to distribute fixed costs across a larger number of packages sold and so increase profit margins. We will also keep identifying new strategic initiatives to improve our operational efficiencies and save operating costs. We will continue to invest in automation, contemporary technology, and equipment to improve operating efficiency while also upgrading our products, particularly their quality, to meet changing customer demands.

Competition

India is a fast growing health food market and this has given a boost to the Healthy Snacking market, with more and more brands making their way into the category. Brands such as Happilo, Natraj, Tulsi, Farnly, Nutty Gritties, Yoga Bar, etc. have created their presence in the category with their wide product portfolio, allowing their consumers to curb their cravings without giving up on their health goals. Another common aspect one can witness amongst most healthy-snacking brands is their marketing strategy, Direct-to-customer. The said channel is uniquely positioned to provide personalization, convenience, and consistency for buyers, while companies have full ownership over the consumer journey.

Quality Assurance

We place significant importance on quality checks and controls and have a well-defined documented quality control system which is monitored at various stages, right from the procurement of raw material, to processing, packaging and dispatch of our products. We have obtained “Food Safety System Certification 22000” from IRCLASS Systems and Solutions Private Limited for our plant.

The quality of our products is critical to our success, and we are committed to maintaining quality standards with respect to the quality of the raw materials we use. Our team endeavour to visit once in a year and meet with certain of our suppliers to monitor the quality of our raw material in accordance with the requirements laid down by our Company. Further regular checks for quality review are also undertaken at the processing and packaging stage at our processing facility to ensure the quality of the final products being packed and sold.

Insurance

Our operations are subject to hazards inherent in storing and transporting our products such as work accidents, fire, burglary, earthquakes, flood and other force majeure events including hazards that may cause loss of life and severe damage to and the destruction of property (including the stock stored at cold storage facilities) and inventory. Our principal types of insurance coverage include comprehensive general liability coverage, workman compensation insurance, marine insurance, vendor insurance, vehicle insurance and consequential loss for all normal risks associated with our business, including fire, burglary, money, accidents and other natural disasters and have separate policies for operations of our Company and the subsidiary also.

In the financial year 2022-23, there has been one instance of theft wherein ProV Foods has filed a claim for loss of ₹ 16.45 lakhs in December 2022 and the same is under process. Further, our Company has also filed for two claims under its marine insurance for damage of goods received for an approximate aggregate value of 74,000 USD (approx. ₹ 61 lakhs) in October 2022 for which the Company has received claim of ₹ 23.91 lakhs net of salvage value of ₹ 33.56 lakhs and deduction of amount on account of policy excess and non standard claims. Except the said instance, there have been no instance of claim of loss under insurance policy in the past.

We believe that the insurance coverage currently maintained by us represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India. See “Risk Factors” on page 25.

Employees



Our employees are one of our most important assets and are critical to us maintaining our competitive position. The following table provides a breakdown of our employee based on function as of March 31, 2023:

| Department | No. of Employees in our Company | No. of Employees in our Subsidiaries |
|---|---------------------------------|--------------------------------------|
| Management | 04 | - |
| Procurement and Processing facility | 05 | 08 |
| Accounts, Legal and Secretarial | 03 | 03 |
| Administrative | 03 | 02 |
| Sales & Marketing | 04 | 05 |
| Human Resource and Information Technology | 01 | 01 |
| Grand Total | 20 | 19 |

During the month of March 2023, we engaged around 145 personnel on contractual basis. Such personnels are engaged by our Company and Material subsidiary, namely Prov Foods, on contractual basis depending on the requirements to meet the increased demand during seasonal or festive periods.

Our employee policies aim to recruit a talented and qualified work force, facilitate their integration and encourage development of their skills in order to facilitate the growth of our operations. We endeavour to develop and train our employees in order to facilitate the growth of our operations. Our employee induction procedures are focused on taking regular feedback and facilitating interaction between new employees and senior management. We also have taken group medical policy for our employees.

Intellectual Property

We have over obtained registrations under trademark for our brand “Proventus” and “ProV” and logo  under different class. Our Company has given consent to its subsidiaries for use of the trademark / logo of the Company for their business operations. The logo of our Company,  is only the corporate logo we use and is not registered under the Trademarks Act.

For further details, see “Government and Other Statutory Approvals” on page 263 and “Risk Factors” on pages 25, respectively.

Corporate Social Responsibility

On account of losses during the financial year 2019-20, the average net profits of our Company in terms of Section 135(5) of the Companies Act was negative and therefore our Company was not required to spend any amount towards CSR for the financial year ended March 31, 2022. The last contribution was made by our Company, in terms of Section 135 of the Companies Act, for ₹ 10.73 lakhs to PM CARES Fund in the Financial Year 2020-21.

Properties

As on the date of this Prospectus, we do not own any immovable property. The following table sets forth the list of properties taken by us on lease which are for a fixed tenure and rent escalation clause during the tenure of such lease:

Proventus Agrocom Limited

| Sr. No. | Details of the deed / agreement | Particulars of the property, description and area | Rent (₹ per month) | Tenure (in years) | Usage |
|---------|---|---|--------------------|----------------------|-------------------|
| 1 | Leave and Licence Agreement entered into with Anjaneya Trust on March 22, 2022 with lease period commencing from January 01, 2022 | Unit 515, 5th Floor, C Wing, 1 MTR Cabin, Atrium, Village Mulgaon, MV Road, Andheri (East), Near Acme Plaza, Mumbai - 400 069 Area: 1750 sq. ft. | 2,86,208 | 3 years | Registered Office |
| 2 | Leave and Licence Agreement entered into with Charan Bir Singh on August 10, 2022 with lease period commencing from August 01, 2022 | Gala No. F-20, Ground and First Floor, APMC Market-I, Phase-II, Sector 19, Vashi, Navi Mumbai - 400 703 | 2,00,000 | 2 years and 9 months | Shop cum Godown |

In addition to above, Proventus Agrocom have fulfilment centres for e-commerce business in the states of Maharashtra, Gujarat, Delhi and Rajasthan.

Prov Foods Private Limited

| Sr. No. | Details of the deed / agreement | Particulars of the property, description & area | Rent (₹ per month) | Tenure | Usage |
|---------|--|--|--------------------|---------|--------------------------------|
| 1 | Leave and Licence Agreement entered into with Sunil Mahajan on January 09, 2020 with lease period commencing from January 01, 2020 * | Gen 71/2, TTC Industrial Area, Mahape, Navi Mumbai Area: 3,025 sq. mtr. | 4,01,000 | 4 years | Processing and packaging plant |

| Sr. No. | Details of the deed / agreement | Particulars of the property, description & area | Rent (₹ per month) | Tenure | Usage |
|----------------|--|--|---------------------------|---------------|--------------------------------|
| 2 | Leave and Licence Agreement entered into with Aveekay Exports Private Limited with lease period commencing from April 15, 2023 # | Plot No. A-793, TTC Industrial Area, Khairane, Navi Mumbai Area: 1,800 sq. mtr. | 6,00,000 | 5 years | Processing and packaging plant |

* ProV Foods has received the notice of termination of the agreement on January 15, 2023 for vacating the said premises. As agreed by the lessor vide e-mail dated January 17, 2023, the said premises has to be vacated within a period of four months from the date of such notice. The same has been further extended by three months agreeing to allow vacation of the premise by August 14, 2023.

In terms of the agreement, the licensor and licensee shall not terminate the said Leave and Licence Agreement for a period of three years.

ProV Foods have also taken on lease a cold storage facility at Agro Fresh Cold Storage, C-256, MIDC, Pawne, Navi Mumbai - 400 703, Maharashtra, India on a monthly rent of ₹ 62,500.

In addition to above, ProV Foods have fulfilment centres for e-commerce business in the states of Andhra Pradesh, Karnataka, Gujarat, Chennai and Rajasthan.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain key regulations in India which are applicable to the business and operations of our Company. The information detailed in this section has been obtained from publications available in public domain. The description of laws and regulations set forth below may not be exhaustive, and is only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The information in this section is based on the current provisions of applicable laws in India that are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

For details of regulatory approvals obtained by us in compliance with the applicable regulations, see "Government and Other Statutory Approvals" beginning on page 263 of this Prospectus.

A. Regulations governing our Business

1. Factories Act, 1948 (the "Factories Act")

The Factories Act defines a "factory" to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and, any premises where there are at least twenty workers even though there is no electrically aided manufacturing process being carried on. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories.

The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The occupier and the manager of a factory may be punished in accordance with the Factories Act for different offences in case of contravention of any provision thereof and in case of a continuing contravention after conviction, an additional fine for each day of contravention may be levied.

2. The Food Safety and Standards Act, 2006 ("FSSA") and the regulations framed thereunder

The FSSA was enacted on August 23, 2006 repealing and replacing the Prevention of Food Adulteration Act, 1954. The FSSA pursues to consolidate the laws relating to food and establish the Food Safety and Standards Authority of India ("FSSAI") for laying down scientific standards for articles of food and to their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption, and for matters connected therewith or incidental thereto. The standards prescribed by the FSSAI include specifications for food additives, flavourings, processing aids and materials in contact with food, ingredients, contaminants, pesticide residue, biological hazards and labels. Under the provisions of the FSSA, no person may carry on any food business except under a license granted by the FSSAI. The FSSA sets forth the requirements for licensing and registering food businesses in addition to laying down the general principles for safety, responsibilities and liabilities of food business operators.

In exercise of powers under the FSSA, the FSSAI has also framed the Food Safety and Standards Rules, 2011 ("FSSR"). The FSSR sets out the enforcement structure of 'commissioner of food safety', 'the food safety officer' and 'the food analyst' and procedures of taking extracts, seizure, sampling and analysis. The FSSA also lays down penalties for various offences, including recall procedures. The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 provides for the conditions and procedures for registration and licensing process for business and lays down general requirements to be fulfilled by various food business operators ("FBOs"), including petty FBOs as well as specific requirements to be fulfilled by businesses dealing with certain food products.

In terms of the Food Safety and Standards (Food Recall Procedure) Regulations, 2017, every FBO engaged in manufacture, importation or wholesale supply of food is required to have a food recall plan. The packaging done by a FBO is required to comply with the Food Safety and Standards (Packaging) Regulations, 2018, while labelling and display of pre-packaged food items must comply with the Food Safety and Standards (Labelling and Display) Regulations 2020.

According to the Food Safety and Standards (Licensing and Registration of Food Business) Amendment Regulations, 2018, an e-commerce FBO (which includes sellers and brand owner who display or offer their food products, through e-commerce, and providers of transportation services for the food products and/or providing last mile delivery transportation to the end consumers), is required to obtain central license from the concerned central licensing authority.

3. Legal Metrology Act, 2009 ("Legal Metrology Act")

The Legal Metrology Act came into effect on January 13, 2010 and has repealed and replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Legal Metrology Act provides that for prescribed specifications for all weights and measures used by an entity to be based on metric system based on the international system of units only. Under the provisions of the Legal Metrology Act, pre-packaged commodities are required to bear statutory declarations and entities are required to obtain a registration of the instruments used before import of any weight or measure. Approval of model is required before manufacture or import of any weight or measure. Without a license under the Legal Metrology Act, weights or measures may not be manufactured, sold or repaired.

4. Legal Metrology (Packaged Commodities) Amendment Rules, 2017 ("Packaged Commodity Rules")

The Packaged Commodity Rules have amended the Legal metrology (Packaged Commodities) Rules, 2011, and lays down specific provisions applicable to packages intended for retail sale, whole-sale and for export and import. Pursuant to the packaged Commodity Rules, any pre-packaged commodity sold for use and consumption by the citizens must properly mention several details such as, the description and quantity of ingredients, date of manufacturing, date of expiry (for items prone to expiration), weight, statutory warnings, manufacturer address, contact and some other info like consumer care details, country of origin, etc.

5. The Agricultural and Processed Foods Products Export Development Authority Act, 1985 (the "APEDA Act")

The APEDA Act provides for establishment of Agricultural and Processed Food Products Export Development Authority (the "APEDA") for the development and promotion of export of certain agriculture and processed food products. Persons exporting any one or more of the products specified in the schedules to the APEDA Act are required to be registered under the APEDA Act and are required to adhere to specified standards and specifications. Further, the Agricultural and Processed Food Products Export Development Authority Rules, 1986 have been framed for effective implementation of the APEDA Act and provides for the application, grant and cancellation of registration to be obtained by exporters of agricultural produce. The APEDA Act provides for imprisonment and monetary penalties for breach of its provisions.

6. The Maharashtra Agricultural Produce Marketing (Development and Regulation) Act, 1963

The Maharashtra Act, formerly known as the Maharashtra Agricultural Produce Marketing (Development and Regulation) Act, 1963, under section 7 states that a Market Committee may, after making inquiries as it deems fit, grant or renew a licence for the use of any place in the market area for marketing of the agricultural produce or for operating therein as a trader, commission agent, broker, processor, weighman, measurer, surveyor, warehouseman or in any other capacity in relation to the marketing of agricultural produce; or may, after recording its reasons in writing therefor, refuse to grant or renew any such licence. Provided that, if the Market Committee fails to grant or renew or refuse a licence within a period of sixty days from the date of receipt of the application therefor, the licence shall be deemed to have been granted or renewed, as the case may be.

7. Sale of Goods Act, 1930 (the "Sale of Goods Act")

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

one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

B. Intellectual Property Laws

1. *The Trade Marks Act, 1999 (the "Trade Marks Act")*

The Trade Marks Act provides for the application, registration and protection of trademarks in India. The Trade Marks Act provides exclusive rights to the use of trademarks such as, brands, labels and headings that have been registered and to provide relief in case of infringement of such marks. The Trade Marks Act prohibits any registration of deceptively similar trademarks. The Trade Marks Act also provides for penalties for infringement and for falsifying and falsely applying trademarks and using them to cause confusion among the public.

Our Company has obtained and applied for trademark registrations for the various brands and logos used in our business which are subject to the provisions of the Trade Marks Act, 1999.

2. *The Copyright Act, 1957 (the "Copyright Act")*

The Copyright Act provides for registration of copyrights, assignment and licensing of copyrights, and protection of copyrights, including remedies for infringement. The Copyright Act protects original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. In the event of infringement of a copyright, the owner of the copyright is entitled to both civil remedies, including damages, accounts and injunction and delivery of infringing copies to the copyright owner, and criminal remedies, including imprisonment and imposition of fines and seizure of infringing copies. Copyright registration is not mandatory under the Copyright Act for acquiring or enforcing a copyright, however, such registration creates a presumption favouring ownership of the copyright by the registered owner.

C. General Corporate Compliance

1. *The Companies Act, 2013*

The consolidation and amendment in the law relating to the Companies Act, 1956 made way for the enactment of the Companies Act, 2013. The Companies Act, 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post-incorporation. The conversion of the private company into a public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, the appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to bank companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One-Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act. Further, The Companies Act, 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified.

Further, Schedule V (read with Sections 196 and 197), Part I lay down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the director's payable by the companies is under Part II of the said schedule.

Further, The Companies Amendment Act, 2015 is passed on May 25, 2015, also The Companies Amendment Act, 2017 is passed on January 3, 2018. The Companies Amendment Act, 2017 includes major amendments in the definition, financial statement, and corporate social responsibility, disclosure under boards report, general meeting, and disclosure in the Prospectus.

D. Other Relevant Legislations

1. *Shops and Establishments Legislations*

Under the provisions of local shops and establishments legislations applicable in different states, commercial establishments are required to be registered. Such legislations regulate the working and employment conditions of workers employed in shops and commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

2. *Fire Prevention Laws*

State governments have enacted laws that provide for fire prevention and life safety. Such laws may be applicable to our offices and Training Centers and include provisions in relation to providing fire safety and life saving measures by occupiers of buildings, obtaining certification in relation to compliance with fire prevention and life safety measures and impose penalties for non-compliance.

3. *The Environment Protection Act, 1986 (the "Environment Act")*

The Environment Act has been enacted for the protection and improvement of the environment. The Environment Act empowers the GoI to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The GoI may make rules for regulating environmental pollution.

4. *The Water (Prevention and Control of Pollution) Act, 1974 (Water Act)*

The Water Act aims to prevent and control water pollution by factories and manufacturing units and to maintain and restore the quality and wholesomeness of water. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, using of any new or altered outlet for the discharge of sewage or causing new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with.

5. *The Air (Prevention and Control of Pollution) Act, 1981 (Air Act)*

The Air (Prevention and Control of Pollution) Act, 1981 (**Air Act**) provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. The state pollution control board must decide on the application within a period of 4 months of receipt of such application. The consent may contain certain conditions relating to specifications of pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state pollution control board.

6. *The Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")*

The MSMED Act, was enacted to promote and enhance the competitiveness of Micro, Small and Medium Enterprise ("**MSME**"). A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated June 1, 2020 revising definition and criterion and the same came into effect from July 1, 2020. The notification revised the definitions as "Micro enterprise", where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees; "Small enterprise", where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; "Medium enterprise", where the investment in plant and machinery or equipment does not exceed five crore and turnover does not exceed two hundred and fifty crore rupees.

7. Foreign Investment Regulations

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("FEMA Rules") and the consolidated FDI policy (effective from October 15, 2020) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion ("FDI Policy"), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019 which regulates mode of payment and remittance of sale proceeds, among others. The FDI Policy and the FEMA Rules prescribe inter alia the method of calculation of total foreign investment (i.e. direct foreign investment and indirect foreign investment) in an Indian company.

8. Foreign Trade (Development and Regulation) Act, 1992 ("FTDRA"), the Foreign Trade (Regulation) Rules, 1993 ("FTRR") and the Foreign Trade Policy 2015-2020 ("Foreign Trade Policy")

The FTDRA provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTDRA empowers the Central Government to formulate and amend the foreign trade policy. The FTDRA prohibits any person from making an import or export except under an Importer-exporter Code Number ("IEC") granted by the director general or any other authorised person in accordance with the specified procedure. The IEC may be suspended or cancelled if the person who has been granted such IEC contravenes, amongst others, any of the provisions of the FTDRA, or any rules or orders made thereunder, or the foreign policy or any other law pertaining to central excise or customs or foreign exchange. The FTDRA also prescribes the imposition of penalties on any person violating its provisions. The FTRR prescribes the procedure to make an application for grant of a license to import or export goods in accordance with the foreign trade policy, the conditions of such license, and the grounds for refusal of a license. The FTDRA empowers the Central Government to, from time to time, formulate and announce the foreign trade policy. The Foreign Trade Policy came into effect in 2017 and requires all importers and exporters to obtain an IEC. Further, pursuant to the policy, the Director General of Foreign Trade may impose prohibitions or restrictions on the import or export of certain goods, for reasons including the protection of public morals, protection of human, animal or plant life or health, and the conservation of national resources. The Foreign Trade Policy also prescribes restrictions on imports or exports in relation to specific countries, organisations, groups, individuals or products. The Foreign Trade Policy also provides for various schemes, including the export promotions capital goods scheme and duty exemption/remission schemes. India's current Foreign Trade Policy (2015-20) (as extended until September 30, 2022 and thereafter, extended till March 31, 2023) envisages helping exporters leverage benefits of GST, closely monitoring export performances, increasing ease of trading across borders, increasing realization from India's agriculture-based exports and promoting exports from MSMEs and labour-intensive sectors.

9. The Customs Act, 1962 ("Customs Act")

The provisions of the Customs Act apply at the time of import or export of goods. Under the Customs Act, the Central Board of Excise and Customs ("CBEC") is empowered to appoint, by notification, inter alia, ports or airports as customs ports or customs airports and places as the Inland Container Depot. Any person importing or exporting any goods is required to get themselves registered under the Customs Act and obtain an Importer Exporter Code number. The Customs Act among others, also permits the exporter to self-seal the export goods and export them from all custom stations /ports across the country.

10. Municipality Laws

State governments are empowered to endow municipalities with such powers and authority as may be necessary to enable them to perform functions in relation to permitting the carrying on of trade and operations. Accordingly, State governments have enacted laws authorizing municipalities to regulate use of premises, including regulations for issuance of a trade license to operate, along with prescribing penalties for non-compliance.

11. *The Consumer Protection Act, 1986 (the "COPRA")*

The COPRA provides for the protection of the interests of consumers and the settlement of consumer disputes. The COPRA sets out a mechanism for consumers to file complaints against, *inter alia*, service providers in cases of deficiencies in services, unfair or restrictive trade practices and excessive pricing. The terms "defect" and "deficiency" are broadly defined and cover any kind of fault, imperfection or shortcoming in the quality, quantity, potency, purity or standard. A three-tier consumer grievance redressal mechanism has been implemented pursuant to the COPRA at the national, state and district levels. If the allegations specified in a complaint about the services provided are proved, the service provider can be directed to *inter alia* remove the deficiencies in the services in question, return to the complainant the charges paid by the complainant and pay compensation, including punitive damages, for any loss or injury suffered by the consumer. Non-compliance with the orders of the authorities may attract criminal penalties in the form of fines and/or imprisonment.

12. *Taxation Laws*

The tax related laws that are applicable to our Company include the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017 and the relevant state legislations for goods and services tax.

13. *Professional Tax*

Professional tax is a state level tax which is imposed on income earned by way of profession, trade, calling or employment. At present, professional tax is imposed only in Karnataka, Bihar, West Bengal, Andhra Pradesh, Telangana, Maharashtra, Tamil Nadu, Gujarat, Assam, Kerala, Meghalaya, Odisha, Tripura, Madhya Pradesh, and Sikkim.

14. *Laws Relating to Employment*

Our operations are subject to compliance with certain additional labour and employment laws in India. These include, but are not limited to, the following:

- the Child Labour (Protection and Prohibition) Act, 1986
- the Contract Labour (Regulation & Abolition) Act, 1970
- the Employees Compensation Act, 1923
- the Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- the Employees' State Insurance Act, 1948
- the Equal Remuneration Act, 1976
- the Maternity Benefit Act, 1961
- the Minimum Wages Act, 1948
- the Payment of Bonus Act, 1965
- the Payment of Gratuity Act, 1972
- the Payment of Wages Act, 1936
- the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:
The Code on Wages, 2019

The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. Through its notification dated December 18, 2020, the GoI brought into force sections 42(1), 42(2), 42(3), 42(10), 42(11), 67(ii)(s), 67(ii)(t) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7, 9 (to the extent that they relate to the GoI) and 8 of the Minimum Wages Act, 1986)) of the Code on Wages, 2019. The remaining provisions of this Code will be brought into force on a date to be notified by the GoI.

The Occupational Safety, Health and Working Conditions Code, 2020

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this Code will be brought into force on a date to be notified by the Central Government. The GoI has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

The Industrial Relations Code, 2020

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this Code will be brought into force on a date to be notified by the GoI.

The Code on Social Security, 2020

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provisions of this Code will be brought into force on a date to be notified by the GoI. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganised workers, gig workers and platform workers.

15. *The Information Technology Act, 2000 (the "IT Act")*

The IT Act creates liability on a body corporate which is negligent in implementing and maintaining reasonable security practices and procedures, and thereby causing wrongful loss or wrongful gain to any person, while possessing, dealing or handling any sensitive personal data or information in a computer resource owned, controlled or operated by it but affords protection to intermediaries with respect to third party information liability. The IT Act also provides for civil and criminal liability including compensation, fines and imprisonment for various computer related offences. These include offences relating to unauthorized access to computer systems, damaging such systems or modifying their contents without authorization, unauthorized disclosure of confidential information and committing of fraudulent acts through computers.

In April 2011, the Department of Information Technology under the then Ministry of Communications and Information Technology notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (the "**IT Personal Data Protection Rules**") under Section 43A of the IT Act and notified the Information Technology (Intermediaries Guidelines) Rules, 2011 and Information Technology (Reasonable security practice and procedure and sensitive personal data or information) Rules, 2021 (the "**IT Intermediaries Rules**") under Section 79(2) of the IT Act. The IT Personal Data Protection Rules prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data. The IT Intermediaries Rules require persons receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the Intermediaries Rules and to disable such information after obtaining knowledge of it.

16. *Indian Electricity Act, 2003 (the “Electricity Act”)*

The Electricity Act was enacted with the objective of transforming the power sector in India. The act covers major issues involving generation, distribution, transmission and trading in power. While some of the sections have already been enacted and are yielding benefits, there are a few other sections that are yet to be fully enforced till date.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as “Manthan Agrocom Private Limited” at Mumbai as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated October 20, 2015, issued by the RoC. Subsequently, the name of our Company was changed from “Manthan Agrocom Private Limited” to “Proventus Agrocom Private Limited” and a fresh certificate of incorporation issued by RoC recording the change in name was issued on December 14, 2015. Subsequently, our Company was converted to a public limited company and the name of our Company changed to ‘Proventus Agrocom Limited’ and a fresh certificate of incorporation dated March 21, 2023 was issued by the RoC. The CIN of our Company is U74999MH2015PLC269390.

Changes in registered office our Company

The registered office of our Company upon incorporation was situated at Plot 57E, Flat 103, Wing B, Krishna Tower B, Atmaram Sawant Marg, Ashok Nagar, Kandivali (E), Mumbai - 400101. Later, the same was shifted to Unit 515, 5th Floor, C Wing, 1 MTR Cabin, Atrium, Village Mulgaon, MV Road, Andheri (East), Near Acme Plaza, Mumbai - 400 069 w.e.f. April 28, 2016 for ease of business operations. Except as above, there has been no change in our registered office since incorporation.

Main objects of the Company

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

1. To do the business of commodity (including commodity derivatives) broking, trading, hedging of all types of commodities including agriculture products, metals, including precious metals, precious stones, diamonds, jewellery, petroleum and energy products, and all other commodities and commodities derivatives and to act as market makers, finance brokers, sub-brokers, investors, portfolio managers, underwriters and sub-underwriters, providers of service for commodity related activities and to buy, deal in, hold, convert, modify, add value, transfer or otherwise dispose of commodities and agricultural products and commodity derivatives and to do the business of commodity warehousing, storing, processing and consumption and to carry on above mentioned commodity business in India and Abroad for and on behalf of the company and as well as for others and to apply & obtain registration as Broker or Member of any Commodity Exchange anywhere in India and Abroad and the Company undertakes not to carry on any scheme/activity which is prohibited under "The Prize Chits and Money Circulation Schemes (Banning) Act, 1978.
2. To purchase, own, develop, sell, transfer, exchange and cultivate agricultural land and indulge in farming, harvesting, flowering, gardening and all other agricultural activities and to do all other activities relating to and connected with the utilization of agricultural land, sowing, growing, harvesting, processing, utilizing and marketing of farm produce.

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the ten years preceding the date of this Prospectus:

| Date of shareholders resolution | Nature of amendment |
|--|--|
| December 05, 2015 | Clause I of our Memorandum of Association was amended to reflect the change in the name of our Company from ‘Manthan Agrocom Private Limited’ to ‘Proventus Agrocom Private Limited’. |
| June 21, 2016 | Clause V of our Memorandum of Association was amended to reflect the increase in our authorised share capital from ₹ 1,00,00,000 divided into 10,00,000 equity shares of ₹ 10 each to ₹ 5,00,00,000 divided into 50,00,000 equity shares of ₹ 10 each. |
| March 21, 2023 | Clause I of our Memorandum of Association was amended to reflect the change in the name of our Company from ‘Proventus Agrocom Private Limited’ to ‘Proventus Agrocom Limited’, pursuant to the conversion of our Company into a public limited company. |

Major events and milestones of our Company:

| Calendar Year | Milestone |
|---------------|---|
| 2022 | Agreement entered into with Sanjeev Kapoor and KS Narayanan for endorsement, advertisement and promotions of and providing services in relation to the brand, products and ProV Foods |
| | Crossed 100+ SKU for ProV Foods |
| | Introduced ProV mini, a ₹ 30 category snack pack |
| | Crossed packing capacity of 60,000 pouches a day in ProV Foods |
| 2021 | Crossed packing capacity of 40,000 pouches a day in ProV Foods |
| 2017 | Forayed into retail consumer segment by introduction of the brand ProV |

Awards, accreditations or recognitions

The following are the key awards, accreditations and recognitions received by our Company:

| Calendar Year | Milestone |
|---------------|--|
| 2022 | FSSC 22000 certification |
| | AEO Certification |
| | 10 best packaged foods startups 2022 – by silicon India startup city |

Financial or strategic partners

Our Company does not have any financial or strategic partners as on the date of filing this Prospectus.

Defaults or rescheduling / restructuring of borrowings with financial institutions / banks

Our Company has not defaulted on repayment of any loan availed from any banks or financial institutions. The tenure of repayment of any loan availed by our Company from banks or financial institutions has not been rescheduled or restructured. For further details about our financing arrangements, see “*Financial Indebtedness*” on page 253.

Revaluation of assets

Our Company has not revalued its assets since incorporation.

Our holding company

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

Our Subsidiaries and Associate

As on the date of this Prospectus, our Company has four subsidiaries, namely Prov Foods Private Limited, Proventus Retail Private Limited, Pro-Nova Bio Technologies Private Limited and Proventus Commodities DMCC. Further, our Company do not have any associate as on the date of this Prospectus.

The details of our Subsidiaries are as follows:

A. Prov Foods Private Limited (“ProV Foods”)

Corporate Information

ProV Foods was incorporated as a private limited company on November 25, 2019 under the Companies Act, 2013. Its CIN is U15400MH2019PTC333517 and its registered office is situated at Unit 515,5th Floor, C Wing, 1 MTR Cabin, Atrium Village Mulgaon, MV Road, Andheri (E) Mumbai - 400 069, Maharashtra, India.

Nature of Business

ProV Foods is currently engaged in the business of retail sales of dry fruits, nuts and seeds and other healthy snacks under “ProV” Brand.

Capital Structure

The capital structure of ProV Foods as on the date of this Prospectus is as follows:

| Particulars | No. of equity shares of face value of ₹ 10 each |
|--|---|
| Authorised share capital | 30,00,000 |
| Issued, subscribed and paid-up share capital | 2,58,000 |

Shareholding Pattern

The shareholding pattern of ProV Foods as on the date of this Prospectus is as follows:

| Name of shareholder | No. of shares held | %age of holding |
|---------------------------|--------------------|-----------------|
| Proventus Agrocom Limited | 2,57,999 | 100.00 |
| Durga Prasad Jhawar * | 1 | 0.00 |
| Total | 2,58,000 | 100.00 |

* Nominee of Proventus Agrocom Limited

For further details on proposed dilution of shareholding, refer to the “Agreement dated November 08, 2022 entered into by and between Prov Foods Private Limited, Sanjeev Kapoor, KSK Foods Private Limited, K S Narayanan and Durga Prasad Jhawar and Amendment Agreement dated March 28, 2023 (such Agreement and Amendment Agreement together referred as “Agreement”)” on page 138 of the Prospectus.

Accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of ProV Foods which have not been accounted for by our Company in the Restated Consolidated Financial Statements.

B. Proventus Retail Private Limited (“Proventus Retail”)

Corporate Information

Proventus Retail was incorporated as a private limited company on December 21, 2015 under the Companies Act, 2013 in the name of JMD Holdings Private Limited. The name was subsequently changed to “Proventus Retail Private Limited” vide fresh Certificate of Incorporation issued on December 06, 2016. Its CIN is U52100MH2015PTC271183 and its registered office is situated at Unit 515,5th Floor, C Wing, 1 MTR Cabin, Atrium Village Mulgaon, MV Road, Andheri (E) Mumbai - 400 069, Maharashtra, India.

Nature of Business

Proventus Retail is currently engaged in the business of retail sales of dry fruits, nuts and seeds and other healthy snacks under “ProV” Brand.

Capital Structure

The capital structure of Proventus Retail as on the date of this Prospectus is as follows:

| Particulars | No. of equity shares of face value of ₹ 10 each |
|--|---|
| Authorised share capital | 20,00,000 |
| Issued, subscribed and paid-up share capital | 10,000 |

Shareholding Pattern

The shareholding pattern of Proventus Retail as on the date of this Prospectus is as follows:

| Name of shareholder | No. of shares held | %age of holding |
|---------------------------|--------------------|-----------------|
| Proventus Agrocom Limited | 9,999 | 99.99 |
| Durga prasad Jhawar * | 1 | 0.01 |
| Total | 10,000 | 100.00 |

* Nominee of Proventus Agrocom Limited

Accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of Proventus Retail which have not been accounted for by our Company in the Restated Consolidated Financial Statements.

C. Pro-Nova Bio Technologies Private Limited (“Pro-Nova Bio”)

Corporate Information

Pro-Nova Bio was incorporated as a private limited company on October 23, 2020 under the Companies Act, 2013. Its CIN is U20100MH2020PTC348554 and its registered office is situated at Unit 515,5th Floor, C Wing, 1 MTR Cabin, Atrium Village Mulgaon, MV Road, Andheri (E) Mumbai - 400 069, Maharashtra, India.

Nature of Business

Pro-Nova Bio is currently engaged in the business of processing of wastage in the forms of shells and skins and convert the same into bio-fuel briquettes.

Capital Structure

The capital structure of Pro-Nova Bio as on the date of this Prospectus is as follows:

| Particulars | No. of equity shares of face value of ₹ 10 each |
|--|---|
| Authorised share capital | 10,000 |
| Issued, subscribed and paid-up share capital | 10,000 |

Shareholding Pattern

The shareholding pattern of Pro-Nova Bio as on the date of this Prospectus is as follows:

| Name of shareholder | No. of shares held | %age of holding |
|---------------------------|--------------------|-----------------|
| Proventus Agrocom Limited | 5,100 | 51.00 |
| Nilesh Toshniwal | 1,200 | 12.00 |
| Lalita Bhootra | 1,250 | 12.50 |
| Pinky Maheshwari | 1,200 | 12.00 |
| Chetna Toshniwal | 1,250 | 12.50 |
| Total | 10,000 | 100.00 |

Accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of Pro-Nova Bio which have not been accounted for by our Company in the Restated Consolidated Financial Statements.

D. Proventus Commodities DMCC (“Proventus Commodities”)

Corporate Information

Proventus Commodities was incorporated as limited liability company on May 19, 2016 bearing Trade Licence Number DMCC-228052 having registered office at unit No. 3351, DMCC Business Centre, Level No. 1, Jewellery & Gemplex 3, Dubai, United Arab Emirates.

Nature of Business

Proventus Commodities is currently engaged in the business of assisting our Company in global sourcing of raw materials.

Capital Structure

The share capital of Proventus Commodities is AED 23,02,000 as on March 31, 2022 and is 100% held by Proventus Agrocom Limited.

Accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of Proventus Commodities which have not been accounted for by our Company in the Restated Consolidated Financial Statements.

Further, there are no associate companies of Proventus Agrocom Limited as on the date of this Prospectus.

Launch of key products or services, capacity/ facility creation, location of our plants and entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, capacity / facility creation, location of our plants and entry into new geographies or exit from existing markets, see “Our Business” on page 107.

Business interest in our Company

Other than as mentioned in this section, and in “Other Financial Information - Related Party Transactions”, our Subsidiaries or Associate have no business interests in our Company.

Common pursuits

Our Subsidiaries, ProV Foods and Proventus Retails are currently engaged in businesses similar to that of our Company by sale of dry fruits primarily in retail segment. The focus is to develop the brand ProV as retail brand through our subsidiary(ies) and our Company will continue its focus on procurement and bulk sales business. Our

Company will ensure necessary procedures and practices as permitted by laws and regulatory guidelines to address situations of conflict of interest as and when they arise between our Company and our Subsidiaries.

Confirmations

None of our Subsidiary is listed on any stock exchange in India or abroad. Further, the securities of our Subsidiaries have not been refused listing by any stock exchange in India or abroad, nor has our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad, to the extent applicable.

Details regarding acquisition or divestment of business or undertakings

There have been no material acquisitions or divestments of business or undertakings by our Company since its incorporation.

Mergers or amalgamation

Our Company has not been party to any merger or amalgamation since its incorporation.

Shareholders Agreement

As on the date of this Prospectus, there are no shareholder's agreements among our shareholders *vis-a-vis* our Company.

Agreement by our Material Subsidiary, Prov Foods Private Limited

Our Material Subsidiary, Prov Foods Private Limited ("ProV Foods") has entered into an agreement for availing services against which equity shares and Equity Warrants shall be issued by ProV Foods, details of which are as under:

Agreement dated November 08, 2022 entered into by and between Prov Foods Private Limited, Sanjeev Kapoor, KSK Foods Private Limited, K S Narayanan and Durga Prasad Jhawar and Amendment Agreement dated March 28, 2023 (such Agreement and Amendment Agreement together referred as "Agreement")

Pursuant to the Agreement, Sanjeev Kapoor ("SK"), KSK Foods Private Limited ("KSK"), K S Narayanan ("KS") (SK, KSK and KS are collectively referred to as "Service Providers") shall be engaging with ProV Foods for endorsement, advertisement and promotions of and providing services in relation to the brand, products and ProV Foods. The said agreement also gives a right to ProV Foods to exclusively use SK IP and attributes for the brand, products and ProV Foods during the term of the agreement and KSK shall also assist in development of new product recipe under the brand of ProV Foods.

Apart from the monetary consideration payable on achievement of milestones to KSK, SK shall be paid consideration for the aforesaid services in consideration other than cash by way of issue and allotment of Initial Equity Shares and Share Warrants shall be issued and allotted to SK: (a) with certain rights and restrictions attached to them including conversion terms thereof; and (b) in Tranches within 3 (three) months from the Amended Effective Date and shall be non-transferable to any third party during the Term:

| Name of shareholder | Pre Transaction | | Equity Shares (First Tranche) | Share Warrants (Second Tranche) ¹ | Share Warrants (Third Tranche) ² | Post Transaction | |
|-----------------------------|-----------------|---------------|-------------------------------|--|---|------------------|---------------|
| | No. of shares | %age | | | | No. of shares | %age |
| Proventus Agrocom Limited * | 2,58,000 | 100.00 | - | - | - | 2,58,000 | 97.50 |
| Sanjeev Kapoor | - | - | 3,265 | 1,675 | 1,675 | 6,615 | 2.50 |
| Total → | 2,58,000 | 100.00 | 3,265 | 1,675 | 1,675 | 2,64,615 | 100.00 |

* including nominee shareholder holding 1 (one) Equity Share

¹ Share Warrants under Second Tranche shall be converted into Equity Shares after the expiry of 12 (twelve) months from the Effective Date

² Share Warrants under Third Tranche shall be converted into Equity Shares after the expiry of 36 (thirty six) months from the Effective Date

Provided however, in case any of the Service Provider commits breach of the terms of the Agreement which have not been cured or fails to provide services, as stated in the Agreement then, SK shall not be entitled to the convert the Share Warrants as stated hereinabove.

Equity Shares allotted to SK and the Equity Shares arising out of conversion of Equity Warrants under the Agreement referred above, cannot be transferred by SK for the period of 5 (five) years from such allotment, unless specially agreed in writing by Durga Prasad Jhavar. Provided however, such transfer, if approved by Durga Prasad Jhavar, shall not be to a competitor and shall be subject to terms of the above referred Agreement and Articles of Association of the Company.

Further, in addition to above, SK shall have the right but not an obligation (“Option”), to subscribe to the Balance Share Warrants (i.e. Share Warrants equivalent to 2.5% of the Share Capital as on the Effective Date of the Agreement) which shall be convertible into Equity Shares of the Company at 20% (twenty percent) discount on the weighted average price per Equity Share offered by the Company to its new investors at the first round of equity funding (other than through an IPO and Equity Shares under Initial Equity Shares and Warrants) in the Company. The Equity Shares held by SK pursuant to conversion of Balance Share Warrants can be transferred by SK, subject to such transfer is not to a competitor and are subject to terms of this Agreement and Articles of Association of the Company.

Other material agreements

Our Company has not entered into any subsisting material agreement, other than in the ordinary course of business.

Other confirmations

Neither our Promoters nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

Our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business.

OUR MANAGEMENT

The Articles of Association require that our Board shall comprise of not less than three Directors and not more than fifteen Directors. As on the date of filing this Prospectus, we have six Directors on our Board, of whom two are Independent Directors, including one woman Independent Director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI LODR Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth the details of our Board as on the date of this Prospectus:

| Name, designation, date of birth, address, occupation, current term, date of appointment and DIN | Age (years) | Other Directorships |
|---|-------------|---|
| <p>Ranganathan Subramanian Designation: Chairman and Independent Director Date of Birth: November 03, 1963 Address: A-407, Golf Scaape, Sunny Estate, Sion Trombay Road, Opp Diamond Garden, Chembur (East), Mumbai - 400 071 Occupation: Professional Date of appointment: March 21, 2023 Period of Directorship: March 21, 2023 to March 20, 2028 DIN: 00125493</p> | 59 | <p>Indian Companies</p> <ul style="list-style-type: none"> • Nil <p>Foreign Companies</p> <ul style="list-style-type: none"> • Nil |
| <p>Durga Prasad Jhavar Designation: Managing Director & CEO Date of Birth: November 11, 1974 Address: Flat No. 3001, Tower D, Milano Fiorenza CHSL, Near Hub Mall, Western Express Highway, Goregaon (East), Mumbai - 400 063 Occupation: Business Date of appointment: October 20, 2015 Period of Directorship: March 21, 2023 to March 20, 2028 DIN: 02005091</p> | 48 | <p>Indian Companies</p> <ul style="list-style-type: none"> • Prov Foods Private Limited • ProV Nova Bio Technologies Private Limited • Proventus Retail Private Limited • Elite Solutions and Services Private Limited <p>LLP</p> <ul style="list-style-type: none"> • Shree JMD Investment Advisors LLP <p>Foreign Companies</p> <ul style="list-style-type: none"> • Nil |
| <p>Deepak Kumar Agrawal Designation: Whole Time Director Date of Birth: October 22, 1981 Address: D/15, Mahindra Park, L B S Road, Narayan Nagar, Near Navy Organisation, Ghatkopar (West), Mumbai - 400 086 Occupation: Business Date of appointment: December 09, 2015 Period of Directorship: March 21, 2023 to March 20, 2028 DIN: 07362004</p> | 41 | <p>Indian Companies</p> <ul style="list-style-type: none"> • Prov Foods Private Limited • Proventus Retail Private Limited <p>Foreign Companies</p> <ul style="list-style-type: none"> • Nil |
| <p>Shalin Sanjiv Khanna Designation: Whole Time Director Date of Birth: May 12, 1985 Address: Purshottam Villa, 501, 5th Floor, 7th Road, Opp Khatwari Darbar, Khar (West), Mumbai - 400 052 Occupation: Business Date of appointment: October 20, 2015 Period of Directorship: March 21, 2023 to March 20, 2028 DIN: 06734684</p> | 38 | <p>Indian Companies</p> <ul style="list-style-type: none"> • Prov Foods Private Limited • Proventus Retail Private Limited <p>Foreign Companies</p> <ul style="list-style-type: none"> • Nil |

| Name, designation, date of birth, address, occupation, current term, date of appointment and DIN | Age (years) | Other Directorships |
|--|-------------|---|
| Swati Durgaprasad Jhawar Designation: Non Executive Non Independent Director Date of Birth: June 29, 1976 Address: Flat No. 3001, Tower D, Milano Fiorenza CHSL, Near Hub Mall, Western Express Highway, Goregaon (East), Mumbai - 400 063 Occupation: Business Date of appointment: March 21, 2023 Period of Directorship: Liable to retire by rotation DIN: 06446297 | 46 | Indian Companies <ul style="list-style-type: none"> • Elite Solutions and Services Private Limited Foreign Companies <ul style="list-style-type: none"> • Nil |
| Sweta Jitendra Jain Designation: Independent Director Date of Birth: June 16, 1980 Address: 4102, Sienna Tower, Lodha Fiorenza, Western Express Highway, Near Hub Mall, Goregaon (East), Mumbai - 400 063 Occupation: Professional Date of appointment: March 21, 2023 Period of Directorship: March 21, 2023 to March 20, 2028 DIN: 07241949 | 42 | Indian Companies <ul style="list-style-type: none"> • Inconscience Tech Private Limited Foreign Companies <ul style="list-style-type: none"> • Nil |

Ranganathan Subramanian

Ranganathan Subramanian is the Chairman and Independent Director of our Company and was appointed on March 21, 2023. He is a member of the Institute of Chartered Accountant of India, Institute of Company Secretaries of India, Institute of Cost and Works Accountant of India and LLB (General Law) and B. Com from Mumbai University. He is also the Chairman of the Audit Committee of our Company. During his career, he has held various top management and leadership positions in Organisations like Citicorp Finance (India) Limited, Citibank NA, Bank of America Merrill Lynch, and Edelweiss group. He retired as Managing Director of ECL Finance Limited on January 31, 2023 where he was responsible for the NBFC business of the company.

Durga Prasad Jhawar

Durga Prasad Jhawar is the Managing Director and CEO of our Company. He has been a director on the Board of our Company since incorporation and has been last re-designated as Managing Director & CEO w.e.f. March 21, 2023. He is a member of the Institute of Chartered Accountant of India (membership is inactive as on date) and holds a bachelor's degree in commerce from the Maharshi Dayanand University, Ajmer. He is vested with the role of creation, management and driving the growth of the Company across the gamut of company activities. His has been instrumental in creating and nourishing business operations across the value chain of various commodity baskets including retail foray of the Company through ProV Foods. As Managing Director & CEO, his core responsibilities include setting and executing the organization's strategy, allocating capital, and building and overseeing the executive team. He started his career in 1998 in the field of finance. In 2005, he joined Edelweiss Capital Limited as the financial controller covering responsibilities which included finance and acts, taxations, legal and secretarial, MIS. During his tenure, he has worked across various business verticals of Edelweiss group. In 2015, he was the acting President and CEO, at the time of leaving Edelweiss Commodity Services Limited.

Deepak Kumar Agrawal

Deepak Kumar Agrawal is the Whole Time Director of our Company and also designated as Chief Business Officer of the Company. He has been on the Board of our Company since December 09, 2015 and has been last re-designated as Whole Time Director w.e.f. March 21, 2023. He holds a degree of Master of Management Science from Devi Ahilya Vishwavidyalaya, Indore. He jointly works with the CEO to chalk out a growth strategy and business plan for the company to meet the vision and goals of the Company. The CBO is responsible for defining and executing the right strategy for Proventus business development activities, including innovative products, while ensuring its fit with the company's broader vision and ambition. He spearheads the treasury management team which controls investments, hedging and risk management strategies of the Company. He is also entrusted with the responsibilities to build out a robust sales and business development strategy for the Company and its products that fully leverages the company's existing technology and also planned technology rollouts in the future. Previously he was working with Aster Commodities DMCC, Dubai.

Shalin Sanjiv Khanna

Shalin Sanjiv Khanna is the Whole Time Director of our Company and also designated as Chief Marketing Officer of the Company. He has been on the Board of our Company since incorporation and has been last re-designated as Whole Time Director w.e.f. March 21, 2023. He holds a degree in Bachelor of Management Studies from the University of Mumbai. He is responsible for overall marketing strategy of the Company. He is involved in creating and implementing marketing campaigns, oversee market research and analyze metrics, PR and public-facing communication and also work closely with other C-Suite positions. He also looks into daily risk management, MIS reports, accounting and compliance policies for the execution of agro commodities business. Prior to being the core team member leading the formation of Proventus Agrocom, he has an experience of over 10 years in various aspects of marketing, risk governance, policies and controls at Edelweiss Commodity Services Limited.

Swati Durgaprasad Jhawar

Swati Durgaprasad Jhawar is the Non Executive Non Independent Director of our Company. She holds a Bachelor's degree in Commerce and MA (Economics) from Maharshi Dayanand Saraswati University, Ajmer. With her passion for creating beautiful and unique gift ideas, she will guide the operations of the Company in the matters relating to introduction of attractive packaging and also to introduce the corporate gifting division of the dry fruit business of the Company. She had previously worked with Corpsolutions Services Private Limited till September 30, 2021.

Sweta Jitendra Jain

Sweta Jitendra Jain is the Independent Director of our Company and was appointed on March 21, 2023. She is a member of the Institute of Company Secretaries of India and holds Bachelor of Law degree from University of Mumbai. She is a Company Secretary in Practice and has an experience of over 20 years of legal and compliance advisory in payments and Banking, Financial Services and Insurance sector.

Details of directorship in companies suspended or delisted

None of our Directors is or was a director of any listed company, whose shares have been or were suspended from being traded on any stock exchanges, in the last five years prior to the date of this Prospectus, during the term of their directorship in such company.

None of our Directors is, or was, a director of any listed company, which has been or was delisted from any stock exchange during the term of their directorship in such company.

Further, none of our Directors have been identified as Wilful Defaulters or Fraudulent Borrowers or Fugitive Economic Offender as defined under the SEBI ICDR Regulations.

Relationships between our Directors and Key Managerial Personnel

None of our Directors are relatives (as defined in the Companies Act, 2013) of each other or of any of our Key Managerial Personnel of our Company, except as under:

| Name of Director | Related to | Relationship |
|--------------------------|--------------------------|--------------|
| Durga Prasad Jhawar | Swati Durgaprasad Jhawar | Spouse |
| Swati Durgaprasad Jhawar | Durga Prasad Jhawar | Spouse |

Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Directors have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

Service contracts with Directors

Our Company has not entered into any service contracts with our Directors which provide for benefits upon the termination of their employment.

Borrowing Powers

In accordance with our Articles of Association and the applicable provisions of the Companies Act, and pursuant to a resolution of our Shareholders dated March 21, 2023, our Board is authorised to borrow money by way of term loans, fund based, non-fund based credit facilities, working capital facilities or any other kind of financial assistance, whether secured or unsecured, granted by banks and financial institutions or otherwise, subject to an overall limit of ₹ 10,500.00 lakhs.

Terms of appointment of our Directors

a) Terms of employment of our Managing Director & CEO and Whole Time Directors

1. Durga Prasad Jhawar

Mr. Durga Prasad Jhawar was appointed as our Managing Director with effect from March 21, 2023 for a period of five years commencing from March 21, 2023 to March 20, 2028, at a remuneration not exceeding ₹ 150.00 Lakh per annum, pursuant to the resolution dated March 21, 2023 passed by the Board. The details of remuneration as set out below are effective from March 21, 2023:

| Particulars | Amount (in ₹ Lakh per annum) |
|--|---------------------------------|
| Basic | 48.92 |
| House Rent Allowance (HRA) | 24.46 |
| Gross Salary (A) | 73.38 |
| Leave Travel Allowance (LTA) | 1.00 |
| Telephone Allowance | 0.30 |
| Total Reimbursements –(B) | 1.30 |
| Total Cost to Company (per annum) (A+B) | 74.68 |

OTHERS:

1. LTA shall be Payable annually on Earned Basic Salary. Further, he shall be eligible for gratuity and superannuation and leave encashment, if any, as per the rules of the Company.
2. In addition to the above, the Managing Director shall be entitled to a Performance Pay, based on his performance, and/or Commission, as determined by the Board / Nomination and Remuneration Committee of the Company, from time to time, subject to overall annual remuneration not to exceed ₹ 150.00 Lakh.
3. In case if in any Financial Year during the tenure of the Managing Director & Chief Executive Officer, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director & Chief Executive Officer the above remuneration as the minimum remuneration for a period not exceeding 3 (three) years from the date of appointment or such other period as may be statutorily permitted by way of salary, perquisites, other allowances, performance pay and benefits as specified above subject to the receipt of requisite approvals if any.

2. Shalin Sanjiv Khanna

Mr. Shalin Sanjiv Khanna was appointed as a Whole Time Director of our company with effect from March 21, 2023 for a period of five years commencing from March 21, 2023 to March 20, 2028, at a remuneration not exceeding ₹ 150.00 Lakh per annum, pursuant to the resolution dated March 21, 2023 passed by the Board. The details of remuneration as set out below are effective from March 21, 2023:

| Particulars | Amount (in ₹ Lakh per annum) |
|--|---------------------------------|
| Basic | 36.32 |
| House Rent Allowance (HRA) | 18.16 |
| Gross Salary (A) | 54.49 |
| Leave Travel Allowance (LTA) | 1.00 |
| Telephone Allowance | 0.30 |
| Total Reimbursements –(B) | 1.30 |
| Total Cost to Company (per annum) (A+B) | 55.79 |

OTHERS:

1. LTA shall be Payable annually on Earned Basic Salary. Further, he shall be eligible for gratuity and superannuation and leave encashment, if any, as per the rules of the Company.
2. In addition to the above, the Whole Time Director shall be entitled to a Performance Pay, based on his performance, and/or Commission, as determined by the Board / Nomination and Remuneration Committee of the Company, from time to time, subject to overall annual remuneration not to exceed ₹ 150.00 Lakh.
3. In case if in any Financial Year during the tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the Company may pay to the Whole Time Director the above remuneration as the

minimum remuneration for a period not exceeding 3 (three) years from the date of appointment or such other period as may be statutorily permitted by way of salary, perquisites, other allowances, performance pay and benefits as specified above subject to the receipt of requisite approvals if any.

3. Deepak Kumar Agrawal

Mr. Deepak Kumar Agrawal was appointed as a Whole Time Director of our company with effect from March 21, 2023 for a period of five years commencing from March 21, 2023 to March 20, 2028, at a remuneration not exceeding ₹ 150.00 Lakh per annum, pursuant to the resolution dated March 21, 2023 passed by the Board. The details of remuneration as set out below are effective from March 21, 2023:

| Particulars | Amount (in ₹ Lakh per annum) |
|--|---------------------------------|
| Basic | 37.78 |
| House Rent Allowance (HRA) | 18.89 |
| Gross Salary (A) | 56.67 |
| Leave Travel Allowance (LTA) | 1.00 |
| Telephone Allowance | 0.30 |
| Total Reimbursements –(B) | 1.30 |
| Total Cost to Company (per annum) (A+B) | 57.97 |

OTHERS:

- LTA shall be Payable annually on Earned Basic Salary. Further, he shall be eligible for gratuity and superannuation and leave encashment, if any, as per the rules of the Company.
- In addition to the above, the Whole Time Director shall be entitled to a Performance Pay, based on his performance, and/or Commission, as determined by the Board / Nomination and Remuneration Committee of the Company, from time to time, subject to overall annual remuneration not to exceed ₹ 150.00 Lakh.
- In case if in any Financial Year during the tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the Company may pay to the Whole Time Director the above remuneration as the minimum remuneration for a period not exceeding 3 (three) years from the date of appointment or such other period as may be statutorily permitted by way of salary, perquisites, other allowances, performance pay and benefits as specified above subject to the receipt of requisite approvals if any.

b) Sitting Fees and commission to Non Executive Director including Independent Directors

Pursuant to separate resolutions of our Board each dated March 21, 2023, the Non Executive Directors including Independent Directors of our Company, are entitled to receive sitting fees plus reimbursement of expenses as may be incurred by them on behalf of our Company. They are each entitled to receive sitting fees of ₹ 25,000 for attending each meeting of the Board and ₹ 15,000 for attending each meeting of any committee constituted by our Board.

Except as disclosed above, our Company has not entered into any contract appointing or fixing the remuneration of a Director, whole-time Director, or manager in the two years preceding the date of this Prospectus.

Remuneration paid or payable to our Directors by our Subsidiaries or Associate:

The details of remuneration paid to our Directors during the period ended December 31, 2022 and the Fiscal 2022, 2021 and 2020 is as under:

| Name of Director | Nine months period ended December 31, 2022 | Fiscal 2022 | Fiscal 2021 | Fiscal 2020 |
|--------------------------|--|-------------|-------------|-------------|
| Ranganathan Subramanian | NA | NA | NA | NA |
| Durga Prasad Jhawar | 55.03 | 65.66 | 59.51 | 81.64 |
| Deepak Kumar Agrawal | 48.36 | 45.87 | 42.28 | 55.99 |
| Shalin Sanjiv Khanna | 50.00 | 42.89 | 39.91 | 51.82 |
| Swati Durgaprasad Jhawar | NA | NA | NA | NA |
| Sweta Jitendra Jain | NA | NA | NA | NA |

(₹ in lakhs)

Contingent and deferred compensation payable to the Directors

As on the date of this Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

Bonus or profit-sharing plan for our Directors

Our Company does not have any performance linked bonus or a profit-sharing plan in which our Directors have participated.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares.

The table below sets forth details of Equity Shares held by the Directors as on date of this Prospectus:

| Name of Director | No. of Equity Shares held | %age of the Pre Offer paid up share capital | %age of the Post Offer paid up share capital * |
|--------------------------|----------------------------------|--|---|
| Ranganathan Subramanian | Nil | NA | NA |
| Durga Prasad Jhavar | 5,000 | 0.18 | 0.15 |
| Deepak Kumar Agrawal | 2,08,375 | 7.56 | 6.08 |
| Shalin Sanjiv Khanna | 1,47,189 | 5.34 | 4.29 |
| Swati Durgaprasad Jhavar | Nil | NA | NA |
| Sweta Jitendra Jain | Nil | NA | NA |

* Subject to finalisation of Basis of Allotment.

Interest of Directors

All our Directors may be deemed to be interested to the extent of fees and commission, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration, commission and reimbursement of expenses, if any, payable to them by our Company. For further details, see “Financial Information - Related Party Transactions” on page 256.

Our Directors may be interested to the extent of Equity Shares held by them, their relatives (together with other distributions in respect of Equity Shares), or held by the entities in which they are associated as partners, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer and any dividend and other distributions payable in respect of such Equity Shares. For further details, please see “Our Management - Shareholding of Directors in our Company” on page 145.

Except to the extent of the sale of Equity Shares by Shree JMD Investment Advisors LLP, Shalin Sanjiv Khanna and Sanjiv Jagdish Khanna in the Offer for Sale, there is no material existing or anticipated transaction whereby our Directors will receive any portion of the proceeds from the Offer.

As on the date of this Prospectus, except for Durga Prasad Jhavar, Deepak Kumar Agrawal and Shalin Sanjiv Khanna, who are the Promoters of our Company, none of our other Directors are interested in the promotion of our Company. For further details, see “Our Promoters and Promoter Group” on page 155.

Our Directors do not have any interest in any property acquired or proposed to be acquired by our Company.

Further, our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery during the three years preceding the date of this Prospectus.

Other confirmations

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a Director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Changes to our Board in the last three years

Except as mentioned below, there have been no changes in our Directors in the last three years:

| Name | Designation (at the time of appointment / change in designation / cessation) | Date of appointment / change in designation / cessation | Nature of change | Reason |
|--------------------------|--|---|---------------------------------------|------------------------|
| Sweta Jitendra Jain | Independent Director | March 21, 2023 | Appointment | To broadbase the Board |
| Ranganathan Subramanian | Independent Director | March 21, 2023 | Appointment | To broadbase the Board |
| Swati Durgaprasad Jhavar | Non Executive Non Independent Director | March 21, 2023 | Appointment | To broadbase the Board |
| Durga Prasad Jhavar | Director | March 21, 2023 | Designated as Managing Director & CEO | Change in Designation |
| Shalin Sanjiv Khanna | Director | March 21, 2023 | Designated as Whole Time Director | Change in Designation |
| Deepak Kumar Agrawal | Director | March 21, 2023 | Designated as Whole Time Director | Change in Designation |

Note: This table does not include details of regularisations of additional Directors.

Corporate Governance

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable requirements for corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, including those pertaining to the constitution of the Board and committees thereof.

As on the date of filing this Prospectus, we have six Directors on our Board, of whom two are Independent Directors, including one woman Independent Director.

Committees of our Board

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board committees:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders' Relationship Committee

(a) Audit Committee

The Audit Committee was constituted by a resolution of our Board dated March 21, 2023. It is in compliance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The current constitution of the Audit committee is as follows:

| Name | Position in the Committee | Designation |
|-------------------------|---------------------------|-------------------------|
| Ranganathan Subramanian | Chairperson | Independent Director |
| Sweta Jitendra Jain | Member | Independent Director |
| Durga Prasad Jhavar | Member | Managing Director & CEO |

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. Its terms of reference are as follows:

A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

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

B. Role of Audit Committee

- (1) oversight of financial reporting process and the disclosure of financial information relating to our Company to ensure that the financial statements are correct, sufficient and credible
- (2) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor of our Company and the fixation of the audit fee
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors
- (4) formulation of a policy on related party transactions, which shall include materiality of related party transactions
- (5) reviewing, at least on a quarterly basis, the details of related party transactions entered into by our Company pursuant to each of the omnibus approvals given
- (6) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - (b) Changes, if any, in accounting policies and practices and reasons for the same
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management
 - (d) Significant adjustments made in the financial statements arising out of audit findings
 - (e) Compliance with listing and other legal requirements relating to financial statements
 - (f) Disclosure of any related party transactions; and
 - (g) Modified opinion(s) in the draft audit report.
- (7) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval
- (8) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
- (9) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process
- (10) approval of any subsequent modification of transactions of our Company with related parties and omnibus approval for related party transactions proposed to be entered into by our Company, subject to the conditions as may be prescribed
- (11) approval of related party transaction to which the subsidiary is a party
- (12) scrutiny of inter-corporate loans and investments
- (13) valuation of undertakings or assets of our Company, wherever it is necessary
- (14) evaluation of internal financial controls and risk management systems
- (15) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems

- (16) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- (17) discussion with internal auditors of any significant findings and follow up there on
- (18) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- (19) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- (20) recommending to the Board the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services
- (21) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- (22) reviewing the functioning of the whistle blower mechanism
- (23) monitoring the end use of funds raised through public offers and related matters
- (24) overseeing the vigil mechanism established by our Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases
- (25) approval of appointment of chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate
- (26) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 1,500 lakhs or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision
- (27) to formulate, review and make recommendations to the Board to amend the terms of reference of the Audit Committee from time to time
- (28) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on our Company and its shareholders; and
- (29) carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations, Companies Act, 2013, uniform listing agreements and/or any other applicable law, as and when amended from time to time.

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management
- Management letters / letters of internal control weaknesses issued by the statutory auditors
- Internal audit reports relating to internal control weaknesses
- The appointment, removal and terms of remuneration of the chief internal auditor; and
- Statement of deviations in terms of the SEBI Listing Regulations
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations; and
 - b. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.
- Review the financial statements, in particular, the investments made by any unlisted subsidiary

- Such information as may be prescribed under the Companies Act and the SEBI Listing Regulations

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

(b) Nomination and Remuneration Committee

The Nomination and Remuneration committee was constituted by a resolution of our Board dated March 21, 2023. The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations. The current constitution of the Nomination and Remuneration committee is as follows:

| Name | Position in the Committee | Designation |
|--------------------------|----------------------------------|--|
| Ranganathan Subramanian | Chairperson | Independent Director |
| Sweta Jitendra Jain | Member | Independent Director |
| Swati Durgaprasad Jhavar | Member | Non Executive Non Independent Director |

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013, read with Regulation 19 of the SEBI Listing Regulations. Its terms of reference are as follows:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to the remuneration of the directors, key managerial personnel and other employees.
- (2) The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
 - (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of our Company and its goals.
- (3) For every appointment of an independent director, evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparing a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may: (a) use the services of an external agencies, if required; (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and (c) consider the time commitments of the candidates
- (4) Formulation of criteria for evaluation of independent directors and the Board
- (5) Devising a policy on Board diversity
- (6) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director)
- (7) Analysing, monitoring and reviewing various human resource and compensation matters;
- (8) Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
- (9) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors

- (10) Recommending to the board, all remuneration, in whatever form, payable to non-executive directors and the senior management and other staff, as deemed necessary
- (11) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time
- (12) Reviewing and approving our Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws
- (13) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if applicable
- (14) Administering the employee stock option scheme/plan approved by the Board and shareholders of our Company in accordance with the terms of such scheme/plan ("ESOP Scheme") including the following:
- i. Adopt rules and regulations for implementing the Plan from time to time;
 - ii. Identify the Employees eligible to participate under the Plan;
 - iii. Grant Options to the Eligible Employees, in one or more tranches, and determine the Grant Date;
 - iv. Determine the quantum of the Options to be granted under the Plan per Eligible Employee and in aggregate;
 - v. Determine the conditions under which Options vested would lapse for the Participant (in case of termination of employment for Cause);
 - vi. Determine the Exercise Period within which the Participant should exercise the Option and the period within which the Option should lapse on the failure to exercise the Options within the Exercise Period;
 - vii. Determine the specified time period within which the Participant shall exercise / surrender the Vested Options in the event of termination or resignation of the Participant;
 - viii. Determine the right of a Participant to exercise all the Options vested in the Participant at one time or various points in time within the Exercise Period;
 - ix. Determine the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of Corporate Actions such as rights issues, bonus issues, merger, sale of division and others.
 - x. Determine the Grant, Vesting and Exercise of Options in case of Participants who are on Long Leave;
 - xi. amend or revise the vesting conditions, schedule, Exercise Period and / or Exercise Price for options granted or other terms and conditions of the Plan.
 - xii. Determine the procedure for cash less exercise of Options, if decided by the Board.
 - xiii. Decide to pay cash benefit / compensation to the Participant in lieu of the Options already granted to them, whether vested or not, and consequently surrender such respective options for which compensation is paid to the Participant.
 - xiv. To create a trust to manage the Plan for all or any identified part of the options granted under the Plan, if needed
 - xv. Take any other actions and make any other determinations or decisions that it deems necessary or appropriate in connection with the Plan or the administration or interpretation thereof
 - xvi. Decide all other matters that must be determined in connection with an Option under the Plan;
 - xvii. Construe and interpret the terms of the Plan, and the Options granted pursuant to the Plan and approve all forms and documents required to be issued to the Eligible Employees pursuant to the Plan;
 - xviii. Administer and reconcile any inconsistency in the Plan; and
 - xix. Perform such other functions and duties as shall be required under the Applicable Laws, including intimation, filing of documents/ application at the requisite authorities and listing of shares after exercise at Stock Exchanges.
- (15) Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of our Company in accordance with the terms of such scheme/plan and any agreements defining the rights and obligations of our Company and eligible employees under the ESOP scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP scheme

- (16) Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
- the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, our Company and its employees, as applicable.
- (17) Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the SEBI Listing Regulations, as amended or by any other applicable law or regulatory authority.

The Nomination and Remuneration Committee is required to meet at least once in a year under Regulation 19(3A) of the SEBI Listing Regulations. The quorum for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members of the committee, whichever is greater, including at least one independent director.

(c) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted by a resolution of our Board dated March 21, 2023. The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations. The current constitution of the Stakeholders' Relationship Committee is as follows:

| Name | Position in the Committee | Designation |
|-------------------------|----------------------------------|----------------------|
| Ranganathan Subramanian | Chairperson | Independent Director |
| Shalin Sanjiv Khanna | Member | Whole Time Director |
| Deepak Kumar Agrawal | Member | Whole Time Director |

The scope and function of the Stakeholders' Relationship Committee is in accordance with Regulation 20 of the SEBI Listing Regulations. Its terms of reference are as follows:

- Resolving the grievances of the security holders of our Company including complaints related to transfer of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report or balance sheet, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints and formulating procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders
- Review of measures taken for effective exercise of voting rights by shareholders
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities
- Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and rematerialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services
- Review of the various measures and initiatives taken by our Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders
- To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the committee by the Board of Directors from time to time
- To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities

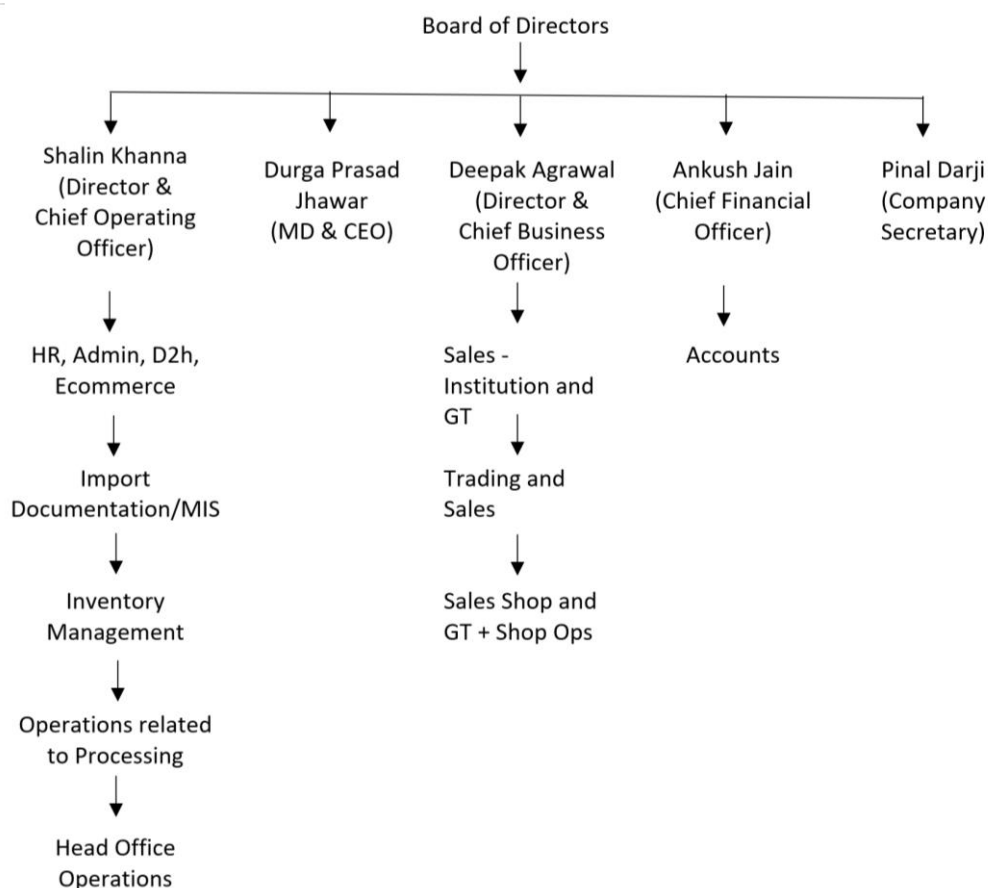
(9) To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of our Company

(10) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority; and

(11) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

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

Organisation Chart



Key Managerial Personnel

In addition to Durga Prasad Jhawar, Managing Director & CEO and Deepak Kumar Agrawal & Shalin Sanjiv Khanna, Whole Time Directors of our Company, whose details are provided in “Our Management” on page 140, the details of our other Key Managerial Personnel as on the date of this Prospectus are as set forth below:

Ankush Bhagchand Jain

Ankush Bhagchand Jain is the Chief Financial Officer of our Company. He has been associated with our Company since July 06, 2017 and was appointed as a KMP on March 21, 2023. In our Company, he is the head of the financial planning, proposing strategic directions, finance & accounts, audit and supply chain departments. He holds a bachelor's degree in commerce and Masters of Management Studies from the Mumbai University and is a Chartered Financial Analyst from CFA Institute, USA. Before his association with our Company, he was previously associated with ECAP Equities Limited. His remuneration as a KMP for financial year ended March 31, 2023 is ₹ 50 lakhs.

Pinal Rakesh Darji

Pinal Rakesh Darji is the Company Secretary of our Company. She has been associated with our Company since February 28, 2023. In our Company, she is the head of the secretarial department. She has also been designated as Compliance Officer. She is a member of the Institute of Company Secretaries of India and also holds a bachelor's degree in commerce from the Annasaheb Vartak College, Vasai. Before her association with our Company, she was previously associated with entities including Wilson Financial Services Private Limited, M Siroya & Company, Maxx Moblink Private Limited. Her remuneration for financial year ended March 31, 2023 (since the date of joining) was ₹ 0.50 lakhs.

Relationships among Key Managerial Personnel, and with Directors

None of our Key Managerial Personnel are related to each other or to the Directors of our Company.

Arrangements or understanding with major Shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Changes in the Key Managerial Personnel in last three years

Except as mentioned below, and as specified in "Our Management - Changes to our Board in the last three years" on page 145, there have been no changes in the Key Managerial Personnel in the last three years:

| Name | Date of change | Reason |
|-----------------------|-----------------------|---|
| Durga Prasad Jhawar | March 21, 2023 | Re-designation as Managing Director & CEO |
| Ankush Bhagchand Jain | March 21, 2023 | Re-designated as KMP |
| Pinal Rakesh Darji | February 28, 2023 | Appointment as Company Secretary |

Status of Key Managerial Personnel

As on the date of this Prospectus, all our Key Managerial Personnel are permanent employees of our Company.

Retirement and termination benefits

Our Key Managerial Personnel have not entered into any service contracts with our Company which include termination or retirement benefits. Except statutory benefits upon termination of their employment in our Company or superannuation, none of the Key Managerial Personnel is entitled to any benefit upon termination of employment or superannuation.

Shareholding of the Key Managerial Personnel

Except as below, none of the Key Managerial Personnel of our Company holds any Equity Shares as on the date of the Prospectus:

| Name | No. of shares held | %age of holding |
|-----------------------------|---------------------------|------------------------|
| Ankush Bhagchand Jain HUF * | 36,000 | 1.31 |

* HUF of Ankush Bhagchand Jain

Except as below, none of the Key Managerial Personnel of our Company holds any stock options as on the date of the Prospectus:

| Name | No. of shares held |
|-----------------------|---------------------------|
| Ankush Bhagchand Jain | 12,000 |

Contingent and deferred compensation payable to Key Managerial Personnel

As on the date of this Prospectus, there is no contingent or deferred compensation which accrued to our Key Managerial Personnel for financial year ended March 31, 2023, which does not form part of their remuneration for such period.

Bonus or profit-sharing plan of the Key Managerial Personnel

Our Company has no profit-sharing plan in which the Key Managerial Personnel participate. Our Company does not make any bonus payments to our Key Managerial Personnel.

Interest of Key Managerial Personnel

Except as disclosed under “Our Management - Interest of Directors” on page 145, our Key Managerial Personnel are interested in our Company to the extent of the remuneration or benefits, including stock options granted, to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

Manish Bhagchand Jain, the brother Ankush Bhagchand Jain, Chief Financial Officer of our Company, is the Karta of Manish Bhagchand Jain HUF, one of the Other Selling Shareholder. However, as informed by Ankush Bhagchand Jain, he will not be entitled to any proceeds from the Offer for Sale as received by Manish Bhagchand Jain HUF.

Employee Stock Option Plan

For details about the ESOP Scheme / Stock incentive Plan, see “Capital Structure” on page 68.

Payment or Benefit to officers of our Company (non-salary related)

No non-salary related amount or benefit has been paid or given within the two years preceding the date of the Prospectus or is intended to be paid or given to any officer of the Company, including our Directors and Key Managerial Personnel.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. Durga Prasad Jhawar
2. Deepak Kumar Agrawal
3. Shalin Sanjiv Khanna
4. Shree JMD Investment Advisors LLP

As on the date of this Prospectus, Durga Prasad Jhawar, Deepak Kumar Agrawal, Shalin Sanjiv Khanna and Shree JMD Investment Advisors LLP together hold 25,33,386 Equity Shares, representing 91.93% of the issued, subscribed and paid-up Equity Share capital of our Company. In addition, other Promoter Group entities, namely Sanjiv Jagdish Khanna and Ritu Tarun Agrawal together hold 10,000 Equity Shares, representing 0.36% of the issued, subscribed and paid-up Equity Share capital of our Company.

For details on shareholding of our Promoters in our Company, please see the section titled “Capital Structure - Build-up of the Promoter and Promoter Group shareholding in our Company” on page 69.

Our Company confirms that the permanent account numbers, driving license numbers, bank account numbers and the passport numbers of Durga Prasad Jhawar, Deepak Kumar Agrawal and Shalin Sanjiv Khanna, as applicable, shall be submitted to the Stock Exchanges at the time of filing this Prospectus. In addition, our Company confirms that the permanent account number, bank account number and company registration number of Shree JMD Investment Advisors LLP, along with the address of the registrar of companies where it is registered, shall be submitted to the Stock Exchanges at the time of filing this Prospectus.

Details of our Promoters

1. Durga Prasad Jhawar



Durga Prasad Jhawar is the Managing Director and CEO of our Company. He has been a director on the Board of our Company since incorporation and has been last re-designated as Managing Director & CEO w.e.f. March 21, 2023. He is a member of the Institute of Chartered Accountant of India (membership is inactive as on date) and holds a bachelor's degree in commerce from the Maharshi Dayanand University, Ajmer. He is vested with the role of creation, management and driving the growth of the Company across the gamut of company activities. His has been instrumental in creating and nourishing business operations across the value chain of various commodity baskets including retail foray of the Company through ProV Foods. As Managing Director & CEO, his core responsibilities include setting and executing the organization's strategy, allocating capital, and building and overseeing the executive team. He started his career in 1998 in the field of finance. In 2005, he joined Edelweiss Capital Limited as the financial controller covering responsibilities which included finance and acts, taxations, legal and secretarial, MIS. During his tenure, he has worked across various business verticals of Edelweiss group. In 2015, he was the acting President and CEO, at the time of leaving Edelweiss Commodity Services Limited.

PAN: ACXPJ8923C

Date of Birth: November 11, 1974

Address: Flat No. 3001, Tower D, Milano Fiorenza CHSL, Near Hub Mall, Western Express Highway, Goregaon (East), Mumbai - 400 063

Other ventures promoted: Nil

As on the date of this Prospectus, Durga Prasad Jhawar holds 5,000 Equity Shares representing 0.18% of the paid up Equity Share capital of our Company.

2. Deepak Kumar Agrawal



Deepak Kumar Agrawal is the Whole Time Director of our Company and also designated as Chief Business Officer of the Company. He has been on the Board of our Company since December 09, 2015 and has been last re-designated as Whole Time Director w.e.f. March 21, 2023. He holds a degree of Master of Management Science from Devi Ahilya Vishwavidyalaya, Indore. He jointly works with the CEO to chalk out a growth strategy and business plan for the company to meet the vision and goals of the Company. The CBO is responsible for defining and executing the right strategy for Proventus business development activities, including innovative products, while ensuring its fit with the company's broader vision and ambition. He spearheads the treasury management team which controls investments, hedging and risk management strategies of the Company. He is also entrusted with the responsibilities to build out a robust sales and business development strategy for the Company and its products that fully leverages the company's existing technology and also planned technology rollouts in the future. Previously he was working with Aster Commodities DMCC, Dubai.

PAN: AHNPA1670Q

Date of Birth: October 22, 1981

Address: D/15, Mahindra Park, L B S Road, Narayan Nagar, Near Navy Organisation, Ghatkopar (West), Mumbai - 400 086

Other ventures promoted: Nil

As on the date of this Prospectus, Deepak Kumar Agrawal holds 2,08,375 Equity Shares representing 7.56% of the paid up Equity Share capital of our Company.

3. Shalin Sanjiv Khanna



Shalin Sanjiv Khanna is the Whole Time Director of our Company and also designated as Chief Marketing Officer of the Company. He has been on the Board of our Company since incorporation and has been last re-designated as Whole Time Director w.e.f. March 21, 2023. He holds a degree in Bachelor of Management Studies from the University of Mumbai. He is responsible for overall marketing strategy of the Company. He is involved in creating and implementing marketing campaigns, oversee market research and analyze metrics, PR and public-facing communication and also work closely with other C-Suite positions. He also looks into daily risk management, MIS reports, accounting and compliance policies for the execution of agro commodities business. Prior to being the core team member leading the formation of Proventus Agrocom, he has an experience of over 10 years in various aspects of marketing, risk governance, policies and controls at Edelweiss Commodity Services Limited.

PAN: ALUPK7658R

Date of Birth: May 12, 1985

Address: Purshottam Villa, 501, 5th Floor, 7th Road, Opp Khatwari Darbar, Khar (West), Mumbai - 400 052

Other ventures promoted: Nil

As on the date of this Prospectus, Shalin Sanjiv Khanna holds 1,47,189 Equity Shares representing 5.34% of the paid up Equity Share capital of our Company.

4. Shree JMD Investment Advisors LLP

Shree JMD Investment Advisors LLP is a limited liability partnership firm, which was formed as a limited liability partnership firm on February 26, 2016 under the Limited Liability Partnership Act, 2008 with its registered office being at C/o Mahavir Prasad Jhanwar Opp. Manas Mandal, Naya Bazar Shahpura Bhilwara -311 404, Rajasthan. The LLP identification number is AAF-8015.

Shree JMD Investment Advisors LLP is currently engaged in the business of holding investments. There has been no change in activities since the incorporation of Shree JMD Investment Advisors LLP.

As on the date of this Prospectus, Shree JMD Investment Advisors LLP holds 21,72,822 Equity Shares, representing 78.85% of the issued, subscribed and paid-up equity share capital of our Company.

Change in control

Shree JMD Investment Advisors LLP has been re-constituted in the past as under:

| Date of LLP Agreement / Modification | Particulars |
|--------------------------------------|--|
| March 03, 2016 | Formation of Shree JMD Investment Advisors LLP with Durga Prasad Jhawar, Deepak Kumar Agrawal and Shalin Sanjiv Khanna as partners |
| March 25, 2016 | Re-constitution of the Shree JMD Investment Advisors LLP pursuant to inclusion of Elite Solutions and Services Private Limited as another partner in the LLP and subsequent change in the capital contribution ratio. |
| April 22, 2022 | Re-constitution of the Shree JMD Investment Advisors LLP pursuant to retirement of Deepak Kumar Agrawal and Shalin Sanjiv Khanna from Shree JMD Investment Advisors LLP and subsequent change in the capital contribution ratio. |

Deepak Kumar Agrawal and Shalin Sanjiv Khanna continue to be the promoter of our Company and hold shares in our Company in individual capacity subsequent to re-constitution of Shree JMD Investment Advisors LLP.

Partners

The following table sets forth details of the partners of Shree JMD Investment Advisors LLP as on the date of this Prospectus:

| Sr. No. | Name of Partner | Designation | Capital (₹) | Profit / loss sharing ratio |
|---------|--|---|-----------------|-----------------------------|
| 1 | Durga Prasad Jhawar | Designated Partner | 98,870 | 98.87% |
| 2 | Elite Solutions and Services Private Limited * | Through Authorised Representative, Swati Jhawar | 1,130 | 1.13% |
| | Total | | 1,00,000 | 100.00% |

* Swati Durgaprasad Jhawar is the natural person who is the Ultimate Beneficial owner of Elite Solutions and Services Private Limited holding 99.99% equity shares in Elite Solutions and Services Private Limited.

Change in control of our Company

There has been no change in the control of our Company since incorporation.

Interests of Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company, their directorship in our Company (in case of individual Promoters) and the dividends payable and any other distributions in respect of their respective shareholding in our Company. Our Individual Promoters are also interested to the extent of shareholding of their relatives in our Company. For further details of the shareholding of our Promoters in our Company, see "Capital Structure - Build-up of the Promoter and Promoter Group shareholding in our Company" beginning on page 69.

Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) controlled by our Promoters.

For further details of interest of our Promoters in our Company, see “Financial Information” – “Related party transactions” on page 256.

Our individual Promoters may also be deemed to be interested to the extent of the remuneration, benefits and reimbursement of expenses payable to them as Directors on our Board. For further details, see “Our Management” on page 140.

Except Durga Prasad Jhawar, Deepak Kumar Agrawal and Shalin Sanjiv Khanna, who are Promoters and Directors of our Company and Swati Durgaprasad Jhawar, spouse of Durga Prasad Jhawar and Director of our Company, none of our other Directors have any interest in the promotion of our Company.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to any firm or company in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a directors, promoters or otherwise for services rendered by such Promoters or by such firm or company, in connection with the promotion or formation of our Company.

Our Promoters have not given any material guarantees to any person or entity with respect to the Equity Shares of our Company.

Except to the extent of their Directorship and shareholding in our Promoter Group Companies, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company. For further details, see “Our Management” beginning on page 140.

Our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

Common Pursuits

There are no common pursuits amongst our Promoter Group Company and our Company.

Interest in property, land, construction of building and supply of machinery

Our Promoters have no interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Prospectus or proposed to be acquired by it, or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery.

Other confirmation

None of our Promoters and members of the Promoter Group have been declared as wilful defaulters or fraudulent borrower (by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016) by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Promoters, Promoter Group entities or Subsidiary have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoters and members of the Promoter Group are not and have never been promoters, directors 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.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Offer against our Promoter.

Our Promoter Group

In addition to our Promoters, the following individuals and entities form part of our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations:

| Relationship | Name | | |
|------------------|----------------------------|----------------------|-------------------------|
| | Durga Prasad Jhawar | Deepak Kumar Agrawal | Shalin Sanjiv Khanna |
| Father | Mahaveer Prashad Jhawar | Binod Kumar Agrawal | Sanjiv Jagdish Khanna |
| Mother | Late Kamla Jhawar | Meera Devi Agrawal | Anupama Sanjiv Khanna |
| Spouse | Swati Jhawar | Khushbu Agrawal | Devina Shalin Khanna |
| Son | Arnav Jhawar | - | Yugveer Shalin Khanna |
| Daughter | Aarohi Jhawar | Aarna Agrawal | - |
| | | Aarvi Agrawal | |
| Brother | Devendra Kumar Jhanwar | Vivek Agarwal | Sahil Sanjiv Khanna |
| Sister | Sumitra Devpura | Poonam Kanodia | - |
| | Durgawati Maheshwari | Ritu Tarun Agrawal | |
| | Koushalya Devpura | | |
| Spouse's father | Late Ram Prakash Toshniwal | Vijay Kumar Agrawal | Madhusudan Govind Menon |
| Spouse's mother | Chand Kunwar Toshniwal | Resham Bai Agrawal | Mahnaz Madhusudan Menon |
| Spouse's brother | Dilip Kumar Toshniwal | Ravi Agrawal | - |
| | Anoop Maheshwari | | |
| Spouse's sister | Sunita Asawa | Sonu Shah | Vaneja Menon |
| | Seema Chhapparwal | Renu Khemka | |
| | | Manu Agrawal | |

Being unlisted, in the Annual Return filed by the Company for the financial year ended March 31, 2022, Shree JMD Investment Advisors LLP, Durga Prasad Jhawar and Shalin Sanjiv Khanna were disclosed as promoter, being actively involved in the business operations or control of our Company. However, the Board of our Company in its meeting held on March 21, 2023 has re-defined the Promoter Group of our Company as per the SEBI ICDR Regulations, and the same now constitutes as under:

| Name of shareholder | As at May 17, 2023 | | As at March 31, 2022 | |
|------------------------------------|----------------------|---------------|----------------------|---------------|
| | No. of Equity Shares | %age | No. of Equity Shares | %age |
| Durga Prasad Jhawar | 5,000 | 0.18% | 5,000 | 0.18% |
| Shalin Sanjiv Khanna | 1,47,189 | 5.34% | 4,998 | 0.18% |
| Deepak Kumar Agrawal ¹ | 2,08,375 | 7.56% | - | - |
| Shree JMD Investment Advisors LLP | 21,72,822 | 78.85% | 25,23,388 | 91.57% |
| Sanjiv Jagdish Khanna ² | 8,000 | 0.29% | - | - |
| Ritu Tarun Agrawal ³ | 2,000 | 0.07% | - | - |
| Total | 25,43,386 | 92.29% | 25,33,386 | 91.93% |

¹ Deepak Kumar Agrawal was not holding any Equity Shares as on March 31, 2022

² Sanjiv Jagdish Khanna was holding 8,000 Equity Shares as on March 31, 2022 but was neither involved into day to day business operations of the Company in any manner, nor was part of the decision making process of the Company and hence was disclosed as public shareholder as on March 31, 2022. However, Sanjiv Jagdish Khanna is the father of Shalin Sanjiv Khanna, and now stands re-classified as Promoter Group of the Company in accordance with the SEBI ICDR Regulations.

³ Ritu Tarun Agrawal was holding 2,000 Equity Shares as on March 31, 2022 but was neither involved into day to day business operations of the Company in any manner, nor was part of the decision making process of the Company and hence was disclosed as public shareholder as on March 31, 2022. However, Ritu Tarun Agrawal is the sister of Deepak Kumar Agrawal, and now stands re-classified as Promoter Group of the Company in accordance with the SEBI ICDR Regulations.

Payment or benefits to Promoters or Promoter Group

Except as disclosed below and as stated in "Financial Information - Related Party Transactions" and "Our Management" on pages 256 and 140, respectively, there has been no amounts paid or benefits granted by our Company to our Promoters or any of the members of the Promoter Group in the two years preceding the date of this Prospectus, nor is there any intention to pay any amount or provide any benefit to our Promoters or Promoter Group as on the date of this Prospectus.

Disassociation by Promoters in the last three years

Except as stated below, our Promoters have not disassociated themselves from any companies or firms during the preceding three years from the date of filing of this Prospectus:

| Name of Promoter | Nome of the disassociated entity | Date of disassociation | Reason / circumstances leading to the disassociation and terms of disassociation |
|-------------------------|---|-------------------------------|---|
| Deepak Kumar Agrawal | Shree JMD Investment Advisors LLP | April 22, 2022 | Retirement from the firm. Deepak Kumar Agrawal hold shares in our Company in individual capacity subsequent to re-constitution of Shree JMD Investment Advisors LLP and continue to be the promoter of the Company |
| Shalin Sanjiv Khanna | Shree JMD Investment Advisors LLP | April 22, 2022 | Retirement from the firm. Shalin Sanjiv Khanna hold shares in our Company in individual capacity subsequent to re-constitution of Shree JMD Investment Advisors LLP and continue to be the promoter of the Company |

Post disassociation of Deepak Kumar Agrawal and Shalin Sanjiv Khanna from Shree JMD Investment Advisors LLP, both of them continue to be the Promoter of our Company in individual capacity.

OUR GROUP COMPANIES

In accordance with the SEBI ICDR Regulations and the applicable accounting standards, for the purpose of identification of ‘group companies’, our Company has considered (i) such companies (other than our Corporate Promoters and Subsidiaries) with which there were related party transactions during the period for which Restated Consolidated Financial Statements have been disclosed in this Prospectus, as covered under the applicable accounting standards; and (ii) any other companies which are considered material by our Board.

In respect of point (ii) above, our Board, in its meeting held on March 21, 2023, has considered and adopted a policy of materiality for the identification of companies that shall be considered material and disclosed as a ‘group company’ in this Prospectus. In terms of such materiality policy, if a company (a) is a member of the Promoter Group; and (b) has entered into one or more transactions with our Company during the last completed full Financial Year and the most recent period included in the Restated Consolidated Financial Statements, which individually or cumulatively in value exceeds 10% of the consolidated revenue operations of our Company derived from the Restated Consolidated Financial Statements of the last completed full financial year.

Based on the parameters set out above, there are no Group Companies of our Company.

Common pursuits among Group Companies

Since there is no Group Company, there is no conflict of interest or common pursuit.

Nature and extent of interest of our Group Companies

a. Interest in the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

b. Interest in the property acquired or proposed to be acquired by the Company

None of our Group Companies are interested, directly or indirectly, in the properties acquired by our Company in the preceding three years or proposed to be acquired by our Company.

c. Interest in transactions for acquisition of land, construction of building, or supply of machinery

None of our Group Companies are interested, directly or indirectly, in any transactions for acquisition of land, construction of building, supply of machinery, with our Company:

Related business transactions and their significance on the financial performance of our Company

Other than the transactions disclosed in the section “Financial Information - Related Party Transactions” on page 256, there are no related business transactions between the Group Companies and our Company.

Business interest of our Group Companies in our Company

Except as disclosed in the section “Financial Information – Related Party Transactions” on page 256, our Group Companies have no business interests in our Company.

DIVIDEND POLICY

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 deems relevant, including among others, profits earned and available for distribution during the financial year, accumulated reserves, including retained earnings, earning stability, mandatory transfer of profits earned to specific reserves, crystallization of contingent liabilities of our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under our current or future loan or financing documents. For more information on restrictive covenants under our current loan agreements, see “Financial Indebtedness” on page 253. Our Company may pay dividend by cheque, or electronic clearance service, as will be approved by our Board in the future. Our Board may also declare interim dividend during the financial year, between two annual general meetings as and when they consider fit. We may retain our earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run.

Our Company has not declared any dividends on the Equity Shares during the last three financial years, and the period from March 31, 2022, until the date of this Prospectus.

The past trend in relation to our payment of dividends is not necessarily indicative of our dividend trend or dividend policy, in the future, and there is no guarantee that any dividends will be declared or paid in the future. For details in relation to the risk involved, see “Risk Factors” on page 25.

SECTION VI: FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report for the Restated Consolidated Financial Statements of Proventus Agrocom Limited (formerly known as Proventus Agrocom Private Limited)

To,

The Board of Directors

Proventus Agrocom Limited

Unit 515, 5th Floor, C Wing,

1 MTR Cabin, Atrium, Village Mulgaon,

MV Road, Andheri (East), Near Acme Plaza,

Mumbai - 400 069, Maharashtra, India

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Statements of **Proventus Agrocom Limited** (formerly known as "Proventus Agrocom Private Limited") (the "**Company**" or the "**Issuer**") comprising the Restated Consolidated Statement of Assets and liabilities as on December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, the Restated Consolidated Statements of Profit and Loss, the Restated Consolidated Cash Flow Statement for the period ended December 31, 2022 and financial year ended March 31, 2022, March 31, 2021 and March 31, 2020, the Financial Statement of Significant Accounting Policies and other explanatory information annexed to this report (the "**Restated Consolidated Financial Statements**") for the purpose of inclusion in the Prospectus (hereinafter referred as, the "**Offer Document**") of the Company proposed to be filed with the Securities and Exchange Board of India ("**SEBI**"), Emerge platform of National Stock Exchange of India Limited ("**NSE Emerge**") ("**Stock Exchange**") and the relevant Registrar of Companies ("**ROC**"). These Restated Consolidated Financial Statements have been prepared by the Company and approved by the Board of Directors of the Company at their meeting held on May 17, 2023.
2. These Restated Consolidated Financial Statements have been prepared in accordance with the requirements of:
 - (i) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Act**") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
 - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**") and related amendments / clarifications from time to time issued by the SEBI; and
 - (iii) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

Management's Responsibility for the Restated Consolidated Financial Statements

3. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Statements for the purpose of inclusion in the Offer Documents. The Restated Consolidated Financial Statements of the Company have been extracted by the management from the Audited Financial Statements (defined hereinafter) of the Company as at and for the period ended December 31, 2022 and financial year ended March 31, 2022, March 31, 2021 and March 31, 2020, which have been approved by the Board of Directors.
4. The Restated Consolidated Financial Statements have been prepared by the management of the Company on the basis of preparation stated in Annexure 4 to the Restated Consolidated Financial Statements. The Board of Directors of the Company's responsibility includes designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Statements. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations, and the Guidance Note.

Auditors' Responsibilities

5. We have examined such Restated Consolidated Financial Statements taking into consideration:
 - a. The terms of reference and terms of our engagement agreed with you in accordance with our engagement letter; requesting you to carry out the assignment, in connection with the proposed IPO of equity shares of the Company
 - b. The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

- c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Statements; and
- d. The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations, and the Guidance Note in connection with the proposed initial public offer of its equity shares of the Company.

6. The Restated Consolidated Financial Statements have been compiled by the management from:
- i. The Special Purpose interim audited Financial Statements of the Company as at and for the period ended December 31, 2022 which were prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India (“**Special Purpose interim audited Financial Statements**”);
 - ii. The audited financial statements of the Company as at and for the financial year ended March 31, 2022 which were prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India (“**Audited Financial Statements 2022**”);
 - iii. The audited financial statements of the Company as at and for the financial year ended March 31, 2021 which were prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India (“**Audited Financial Statements 2021**”);
 - iv. The audited financial statements of the Company as at and for the financial year ended March 31, 2020 which were prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India (“**Audited Financial Statements 2020**”).

The statutory audits of the for the for financial year ended on March 31, 2022, March 31, 2021 and March 31, 2020 were conducted by the Previous statutory Auditor i.e. Mukesh Chechani & Co., Chartered Accountants (“**Previous Auditor**”). Accordingly, reliance has been placed on the financial information examined by him for the said years. The examination report included for these years is based solely on the report submitted by him and no audit has been carried out by us.

Special Purpose Interim Audited Financial Statements, Audited Financial Statements 2022, Audited Financial Statements 2021 and Audited Financial Statements 2020 are collectively referred hereinafter as **Audited Financial Statements**.

7. For the purpose of our examination, we have relied on:
- a. the Special Purpose Interim Auditors’ reports issued by us dated May 17, 2023 on Special Purpose Interim Audited Financial Statements as at and for the period ended December 31, 2022 as referred in Paragraph 6 above;
 - b. the Auditors’ reports issued by Previous Auditor dated September 2, 2022 on Audited Financial Statements 2022 as at and for the year ended March 31, 2022 as referred in Paragraph 6 above;
 - c. the Auditors’ reports issued by Previous Auditor dated September 4, 2021 on Audited Financial Statements 2021 as at and for the year ended March 31, 2021 as referred in Paragraph 6 above;
 - d. the Auditors’ reports issued by Previous Auditor dated December 3, 2020 on Audited Financial Statements 2020 as at and for the year ended March 31, 2020 as referred in Paragraph 6 above;
8. Based on our examination and according to the information and explanations given to us and as per the reliance placed on the our audit report and audit reports of Previous Auditor, we report that the Restated Consolidated Financial Statements:
- a) have been prepared after incorporating adjustments for changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the period/financial years ended December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies and groupings/classifications as at and for the period ended December 31, 2022;
 - b) does not contain any qualifications requiring adjustments; and
 - c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
9. We have been subjected to the peer review process of the ICAI and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.

10. The Restated Consolidated Financial Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on Audited Financial Statements mentioned in paragraph 7 above.
11. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us or Previous Auditor nor should this report be construed as a new opinion on any of the financial statements referred to therein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with SEBI, Stock Exchange, and ROC in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For N B T and Co
Chartered Accountants
ICAI FRN.: 140489W

Sd/-

Ashutosh Biyani
Partner
Membership No.: 165017
Place: Mumbai
Date: May 17, 2023
UDIN: 23165017BGXEXC6165

RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Amount in Rs. Lakhs, unless mentioned otherwise)

| PARTICULARS | Annexure Nos. | AS AT | | | |
|--|---------------|-----------------|------------------|-----------------|-----------------|
| | | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| A) EQUITY AND LIABILITIES | | | | | |
| 1. Shareholders' Funds | | | | | |
| (a) Share Capital | 7 | 248.58 | 248.58 | 248.58 | 248.58 |
| (b) Reserves & Surplus | 8 | 5,234.74 | 5,034.17 | 4,911.92 | 4,731.01 |
| Total (A) | | 5,483.31 | 5,282.75 | 5,160.50 | 4,979.58 |
| 2. Minority Interest (B) | 9 | 8.64 | 0.34 | 0.07 | - |
| 3. Non Current Liabilities | | | | | |
| (a) Long Term Borrowings | 10 | 859.97 | 1,121.50 | 720.85 | 750.21 |
| Total (C) | | 859.97 | 1,121.50 | 720.85 | 750.21 |
| 4. Current Liabilities | | | | | |
| (a) Short Term Borrowings | 11 | 2,201.16 | 2,322.55 | 2,219.87 | 978.33 |
| (b) Trade Payables | 12 | | | | |
| (i) total outstanding dues to micro enterprises and small enterprises | | - | - | - | - |
| (ii) total outstanding dues to creditor other than micro enterprises and small enterprises | | 942.85 | 1,264.83 | 646.45 | 843.38 |
| (c) Other Current Liabilities | 13 | 139.19 | 100.65 | 48.00 | 1,383.80 |
| (d) Short Term Provisions | 14 | 100.24 | 38.52 | 47.62 | 1.64 |
| Total (D) | | 3,383.45 | 3,726.55 | 2,961.94 | 3,207.14 |
| Total Equity and Liabilities (A+B+C+D) | | 9,735.37 | 10,131.13 | 8,843.36 | 8,936.94 |
| B) ASSETS | | | | | |
| 1. Non Current Assets | | | | | |
| (a) Property, Plant and Equipment and Intangible Assets | | | | | |
| i) Property, plant and equipment | 15A | 229.05 | 253.56 | 248.46 | 79.46 |
| ii) Intangible assets | 15B | 0.51 | 0.51 | 2.18 | 2.32 |
| iii) Capital work-in-progress | 15C | - | - | - | 161.71 |
| Total (A) | | 229.56 | 254.06 | 250.65 | 243.49 |
| (b) Goodwill on Consolidation | 16 | 2.99 | 2.99 | 2.99 | 2.99 |
| (c) Long Term Loans and Advances | 17 | 54.41 | 49.97 | 47.01 | 55.05 |
| (d) Deferred Tax Asset (Net) | 18 | 672.22 | 693.89 | 717.24 | 749.73 |
| Total (A) | | 959.17 | 1,000.91 | 1,017.89 | 1,051.26 |
| 2. Current Assets | | | | | |
| (a) Inventories | 19 | 2,948.86 | 3,739.26 | 2,545.67 | 1,843.76 |
| (b) Trade Receivables | 20 | 3,257.30 | 1,952.68 | 1,921.49 | 1,689.69 |
| (c) Cash and Bank Balances | 21 | 415.73 | 1,434.29 | 1,299.50 | 221.84 |
| (d) Other Current Assets | 22 | 2,154.31 | 2,003.98 | 2,058.81 | 4,130.38 |
| Total (B) | | 8,776.20 | 9,130.22 | 7,825.47 | 7,885.68 |
| Total Assets (A+B) | | 9,735.37 | 10,131.13 | 8,843.36 | 8,936.94 |

The above statement should be read with Basis of Preparation, Significant Accounting Policies and Notes to Restated Consolidated Financial Information appearing in Annexure 4 and Adjustments to Audited Consolidated Financial Statements appearing in Annexure 5 and Reconciliation of restated Equity/ Networth appearing in Annexure 6.

This is the Restated Consolidated Statement of Assets and Liabilities referred to in our report of even date.

For N B T and Co

Chartered Accountants

For Proventus Agrocom Limited

Sd/-
Ashutosh Biyani
Partner
M. No.: 165017
F.R.N.: 140489W
Place: Mumbai
Date: May 17, 2023

Sd/-
Durga Prasad Jhawar
MD and CEO
(DIN 02005091)

Sd/-
Shalin Sanjiv Khanna
Whole Time Director
(DIN - 06734684)

Sd/-
Pinal Rakesh Darji
Company Secretary

Sd/-
Ankush Bhagchand Jain
Chief Financial Officer

RESTATED STATEMENT OF PROFIT & LOSS

(Amount in Rs. Lakhs, unless mentioned otherwise)

| PARTICULARS | | Annexure Nos. | FOR THE PERIOD ENDED 31-Dec-22 | FOR THE YEAR ENDED | | |
|-------------|--|---------------|--------------------------------|--------------------|------------------|-------------------|
| | | | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| 1 | Income | | | | | |
| (a) | Revenue From Operations | 23 | 31,798.26 | 40,326.68 | 30,087.50 | 89,620.14 |
| (b) | Other Income | 24 | 111.37 | 107.89 | 86.42 | 468.87 |
| 2 | Total Income (1a+1b) | | 31,909.63 | 40,434.57 | 30,173.92 | 90,089.01 |
| 3 | Expenditure | | | | | |
| (a) | Cost of raw material consumed | 25 | 19,373.65 | 17,412.54 | 5,201.11 | 4,643.02 |
| (b) | Purchases of Stock in Trade | 26 | 10,046.91 | 21,791.43 | 23,950.83 | 66,820.96 |
| (c) | Changes In Inventories Of Finished Goods, and Stock-In-Trade | 27 | 914.83 | (668.44) | (612.32) | 17,340.60 |
| (d) | Employee Benefit Expenses | 28 | 371.97 | 389.53 | 328.31 | 345.05 |
| (e) | Finance Cost | 29 | 222.00 | 213.09 | 80.65 | 1,124.12 |
| (f) | Depreciation & Amortization | 30 | 52.09 | 88.27 | 68.17 | 36.82 |
| (g) | Other Expenses | 31 | 690.56 | 1,051.71 | 909.07 | 2,637.97 |
| 4 | Total Expenditure 3(a) to 3(g) | | 31,672.02 | 40,278.14 | 29,925.82 | 92,948.55 |
| | Profit/(Loss) Before Exceptional and Extra-Ordinary Item | | 237.61 | 156.44 | 248.10 | (2,859.53) |
| | Exceptional Items | | - | - | - | - |
| 5 | Profit/(Loss) Before Tax (2-4) | | 237.61 | 156.44 | 248.10 | (2,859.53) |
| 6 | Tax Expense: | | | | | |
| (a) | Tax Expense For Current Year | | 26.12 | 19.06 | 27.71 | 1.64 |
| (b) | Short/(Excess) Provision of Earlier Year | | - | - | - | 32.45 |
| (c) | Deferred Tax | | 21.67 | 23.35 | 32.49 | (703.16) |
| | Net Current Tax Expenses | | 47.80 | 42.41 | 60.19 | (669.08) |
| 7 | Profit/(Loss) for the period from continuing operations (5-6) | | 189.82 | 114.03 | 187.90 | (2,190.46) |
| 8 | Profit allocated to: | | | | | |
| | - Owners of Parents | | 181.51 | 113.86 | 188.32 | (2,190.46) |
| | - Minority Interest | | 8.30 | 0.27 | (0.42) | - |
| | | | 189.82 | 114.03 | 187.90 | (2,190.46) |
| 9. | Restated Earning Per Share | | | | | |
| 1 | Basic | Rs. | 7.64 | 4.59 | 7.56 | (88.12) |
| | Diluted | Rs. | 7.64 | 4.59 | 7.56 | (88.12) |

The above statement should be read with Basis of Preparation, Significant Accounting Policies and Notes to Restated Consolidated Financial Information appearing in Annexure 4 and Adjustments to Audited Consolidated Financial Statements appearing in Annexure 5 and Reconciliation of restated Equity/ Networth appearing in Annexure 6.

This is the Restated Consolidated Statement of Profit and Loss referred to in our report of even date.

For N B T and Co
Chartered Accountants

For Proventus Agrocom Limited

Sd/-
Ashutosh Biyani
Partner
M. No.: 165017
F.R.N.: 140489W
Place: Mumbai
Date: May 17, 2023

Sd/-
Durga Prasad Jhawar
MD and CEO
(DIN 02005091)

Sd/-
Shalin Sanjiv Khanna
Whole Time Director
(DIN - 06734684)

Sd/-
Pinal Rakesh Darji
Company Secretary

Sd/-
Ankush Bhagchand Jain
Chief Financial Officer

RESTATED STATEMENT OF CASH FLOWS

(Amount in Rs. Lakhs, unless mentioned otherwise)

| PARTICULARS | FOR THE YEAR ENDED | | | |
|---|--------------------|------------------|------------------|------------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| A) Cash Flow From Operating Activities : | | | | |
| Net Profit before tax | 237.61 | 156.44 | 248.10 | (2,859.53) |
| Adjustment for: | | | | |
| Depreciation | 52.09 | 88.27 | 68.17 | 36.82 |
| Interest Paid | 192.83 | 184.06 | 58.12 | 1,083.64 |
| Dividend Income | 0.23 | 0.23 | 0.02 | - |
| Interest Income | 4.91 | 19.11 | 24.64 | 370.04 |
| Operating profit before working capital changes | 487.67 | 448.11 | 399.05 | (1,369.04) |
| Changes in Working Capital | | | | |
| (Increase)/Decrease in Inventories | 790.40 | (1,193.59) | (701.91) | 17,340.60 |
| (Increase)/Decrease in Trade Receivables | (1,304.62) | (31.19) | (231.80) | (602.16) |
| (Increase)/Decrease in Long Term Loans & Advances | (4.44) | (2.96) | 8.04 | (24.02) |
| (Increase)/Decrease in Other Current Assets | (159.10) | (16.95) | 2,071.57 | (1,749.71) |
| Increase/(Decrease) in Trade Payables | (321.98) | 618.38 | (196.92) | 358.59 |
| Increase/(Decrease) in Other Current Liabilities | 38.54 | 52.65 | (1,335.79) | (1,342.01) |
| Increase/(Decrease) in Short Term Provisions | 61.62 | 7.24 | 30.94 | - |
| Increase/(Decrease) in Short Term Borrowings | (121.38) | 102.68 | 1,241.54 | (11,024.57) |
| Cash generated from operations | (533.28) | (15.65) | 1,284.70 | 1,587.69 |
| Direct Tax Paid / (Refund) [Net] | (17.35) | 36.49 | (12.66) | (209.33) |
| Cash Flow Before Extraordinary Item | (550.63) | 20.84 | 1,272.04 | 1,378.36 |
| Extraordinary Items | - | - | - | - |
| Net cash flow from operating activities | (550.63) | 20.84 | 1,272.04 | 1,378.36 |
| B) Cash Flow From Investing Activities : | | | | |
| Purchase/Sale of Property, Plant and Equipment | (27.59) | (91.69) | (73.61) | (190.59) |
| Purchase of Intangible Assets | - | - | (1.72) | (1.70) |
| Minority Interest | - | - | 0.49 | - |
| Dividend Income | (0.23) | (0.23) | (0.02) | - |
| Interest Income | (4.91) | (19.11) | (24.64) | (370.04) |
| Net cash flow from investing activities | (32.73) | (111.03) | (99.50) | (562.33) |
| C) Cash Flow From Financing Activities : | | | | |
| Increase/(Decrease) in Long Term Borrowings | (261.53) | 400.65 | (29.36) | 236.61 |
| Interest Paid | (192.83) | (184.06) | (58.12) | (1,083.64) |
| Net cash flow from financing activities | (454.36) | 216.59 | (87.49) | (847.03) |
| D) Change in Foreign Translation Reserve | 19.15 | 8.39 | (7.40) | 21.02 |
| Net Increase/(Decrease) In Cash & Cash Equivalents | (1,018.56) | 134.80 | 1,077.65 | (9.99) |
| Cash equivalents at the beginning of the year | 1,434.29 | 1,299.50 | 221.85 | 231.83 |
| Cash equivalents at the end of the year | 415.73 | 1,434.29 | 1,299.50 | 221.85 |
| Notes :- | | | | |
| | As At | | | |
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| 2. Component of Cash and Cash equivalents | | | | |
| Cash on hand | 64.94 | 9.27 | 7.22 | 2.98 |
| Balance With banks | 305.76 | 1,407.18 | 923.42 | 98.35 |
| Fixed Deposit | 45.03 | 17.84 | 368.86 | 120.51 |
| | 415.73 | 1,434.29 | 1,299.50 | 221.84 |
| Reconciliation of the movements of liabilities to cash flows arising from financing activities | | | | |
| PARTICULARS | FOR THE YEAR ENDED | | | |
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Opening balance | | | | |
| Working Capital Facility | 2,302.33 | 2,193.28 | 975.94 | 12,000.72 |
| Loan from Related Parties | 763.20 | 740.70 | 743.47 | 504.47 |
| Term Loan | 378.51 | 6.74 | 9.13 | 11.31 |
| Total | 3,444.05 | 2,940.72 | 1,728.55 | 12,516.50 |

| Movement | | | | |
|---------------------------|----------|----------|----------|-------------|
| Cash flows ; | | | | |
| Working Capital Facility | (105.66) | 109.05 | 1,217.34 | (11,024.77) |
| Loan from Related Parties | (272.23) | 22.50 | (2.77) | 239.00 |
| Term Loan | (5.02) | 371.77 | (2.39) | (2.18) |
| Interest expenses | 192.83 | 184.06 | 58.12 | 1,083.64 |
| | | | | |
| Closing Balance | | | | |
| Working Capital Facility | 2,196.67 | 2,302.33 | 2,193.28 | 975.94 |
| Loan from Related Parties | 490.97 | 763.20 | 740.70 | 743.47 |
| Term Loan | 373.49 | 378.51 | 6.74 | 9.13 |
| Total | 3,061.14 | 3,444.05 | 2,940.72 | 1,728.55 |

| | |
|-----|--|
| 2.1 | The Restated Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in AS 3, Statement of Cash Flows. |
| 2.2 | The above statement should be read with Basis of Preparation, Significant Accounting Policies and Notes to Restated Consolidated Financial Information appearing in Annexure 4 and Adjustments to Audited Consolidated Financial Statements appearing in Annexure 5 and Reconciliation of restated Equity/ Networth appearing in Annexure 6. |
| 2.3 | This is the Restated Consolidated Statement of Cash Flows referred to in our report of even date. |

For N B T and Co
Chartered Accountants

For Proventus Agrocom Limited

Sd/-
Ashutosh Biyani
Partner
M. No.: 165017
F.R.N.: 140489W
Place: Mumbai
Date: May 17, 2023

Sd/-
Durga Prasad Jhawar
MD and CEO
(DIN 02005091)

Sd/-
Shalin Sanjiv Khanna
Whole Time Director
(DIN - 06734684)

Sd/-
Pinal Rakesh Darji
Company Secretary

Sd/-
Ankush Bhaghchand Jain
Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED CONSOLIDATED FINANCIAL STATEMENTS**A. BACKGROUND**

Proventus Agrocom Limited (Formerly known as Proventus Agrocom Private Limited) is a limited company domiciled in India and incorporated under the provisions of the Companies Act 2013, having Company Incorporation No. (CIN) U74999MH2015PTC269390. The Company is primarily engaged in the business in a variety of agro-commodities across the commodity value chain.

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with generally accepted accounting principles in India ('Indian GAAP') under the historical cost convention on an accrual basis except for certain financial instruments which are measured at fair values in compliance with all material aspect of the Accounting Standard (AS) Notified under section 133 of the Companies Act, 2013 read together with rule 7 of the Companies (Accounts) Rules 2014, the provisions of the Companies Act, 2013 (to the extent notified). The financial statements are presented in Indian rupees.

The Restated Consolidated Statement of Assets and Liabilities of the Company as on December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, and the Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statements of Cash Flows for the period ended December 31, 2022 and year ended on March 31, 2022, March 31, 2021 and March 31, 2020 and the annexure thereto (collectively, the "Restated Consolidated Financial Statements" or "Restated Consolidated Summary Statements") have been extracted by the management from the Audited Consolidated Financial Statements of the Company for the year ended December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020.

2. PRINCIPLES OF CONSOLIDATION

(a) The consolidated financial statements relate to Proventus AgroCom Limited ('the Company') and its subsidiary. The consolidated financial statements have been prepared on the following basis:

- In respect of subsidiary enterprise, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after as far as possible eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard 21 - Consolidated Financial Statements prescribed by Companies (Accounting Standards) Rules, 2006.
- The excess of cost over the Company's investments in the subsidiary is recognized in the consolidated financial statements as Goodwill. The excess of Company's share in equity and reserves of the subsidiaries over the cost of acquisition is treated as Capital Reserve.
- The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

(b) The subsidiary considered in the consolidated financial statements:

| Name of the entity | Country of Incorporation | Proportion of ownership interest as at 31 December 2022 |
|--|--------------------------|---|
| Prov Foods Private Limited | India | 100.00% |
| Proventus Retail Private Limited | India | 100.00% |
| Proventus Commodities DMCC | United Arab Emirates | 100.00% |
| Prov Nova Bio Technologies Private Limited | India | 51.00% |

| Name of the entity | Country of Incorporation | Proportion of ownership interest as at 31 March 2022 |
|--|--------------------------|--|
| Prov Foods Private Limited | India | 100.00% |
| Proventus Retail Private Limited | India | 100.00% |
| Proventus Commodities DMCC | United Arab Emirates | 100.00% |
| Prov Nova Bio Technologies Private Limited | India | 51.00% |

| Name of the entity | Country of Incorporation | Proportion of ownership interest as at 31 March 2021 |
|--|--------------------------|--|
| Prov Foods Private Limited | India | 100.00% |
| Proventus Retail Private Limited | India | 100.00% |
| Proventus Commodities DMCC | United Arab Emirates | 100.00% |
| Prov Nova Bio Technologies Private Limited | India | 51.00% |

| Name of the entity | Country of Incorporation | Proportion of ownership interest as at 31 March 2020 |
|----------------------------------|--------------------------|--|
| Prov Foods Private Limited | India | 100.00% |
| Proventus Retail Private Limited | India | 100.00% |
| Proventus Commodities DMCC | United Arab Emirates | 100.00% |

3. USE OF ESTIMATES

The preparation of the consolidated financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on date of the financial statements. Actual results could differ from the estimates. Any revision to the accounting estimates is recognized prospectively in current and future periods.

4. CURRENT AND NON CURRENT CLASSIFICATIONS

All assets and liabilities are classified into current and non-current

Assets

An Asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current Assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the company's normal operating cycle.
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

5. REVENUE RECOGNITION

- Sale of commodity is recognized when all the significant risks and rewards have been passed to the buyer.
- Income from treasury operations comprises of profit/loss on sale of securities and profit/loss on equity derivatives, commodity derivatives and currency derivative instruments.
 - Profit/loss on sale of securities is determined based on the weighted average cost of the securities sold.
 - Realized profit/ loss on closed positions of derivative instruments is recognized on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.
- Profit/loss earned on sale of investments is recognized on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.
- Interest income is recognized on accrual basis.
- Dividend income is recognized when the right to receive payment is established.

6. IMPAIRMENT OF ASSETS

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The

reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

7. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The exchange differences, if any, are recognized in statement of profit and loss of the year and related assets and liabilities are accordingly restated in the balance sheet.

8. INVENTORIES

Raw materials, stores, spares, and trading goods are valued at lower of cost and net realizable value.

Work-in-Progress and finished goods are valued at the lower of cost and net realizable value. Cost includes direct materials and labour and a part of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost comprises of cost of Purchase & other costs incurred in bringing them to their respective present location and condition and is determined on average basis.

9. INVESTMENTS

Investments are classified into long term investments and current investments. Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments.

Long term investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment.

Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.

10. EARNINGS PER SHARE

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 - Earnings Per Share prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

11. PROPERTY, PLANT & EQUIPMENT

Property, Plant & Equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

12. INTANGIBLEASSETS

Intangible assets are amortized over their estimated useful economic lives and validity.

13. DEPRECIATION

Depreciation is provided on a written down value basis over the useful lives of assets, which is as stated in Schedule II of the Companies Act 2013 or based on technical estimation made by the Company.

Depreciation and amortization methods, useful lives and residual values are reviewed at each reporting date.

14. EMPLOYEE BENEFITS

Short Term Employee Benefits

The short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

The company has no policy of encashment and accumulation of leave. Therefore, no provision of leave Encashment is made.

Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss for the year.

Defined Benefits Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The company has recognized the gratuity payable to the employees as defined benefit plans. The liability in respect of these benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

15. TAXATION

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

Current tax

Provision for income tax is recognized based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred taxation

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

Minimum Alternative Tax (MAT) credit

MAT credit asset is recognized where there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.

16. PROVISIONS AND CONTINGENCIES

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

17. SEGMENT REPORTING

(i) Business Segment

Based on the guiding principles given in Accounting Standard 17 (AS - 17) on Segment Reporting issued by ICAI, the Company has only one reportable Business Segment. The company is an integrated dry fruits conglomerate carrying out business in a

variety of dry fruits across the commodity value chain. The primary approach at Proventus is to create expertise in a commodity class and build the revenue stream by moving across the value chain from origination to distribution. The fundamental cornerstone of the Company's approach is to capture the demand and supply stream by developing a strong base of sourcing and distribution.

(ii) Geographical Segment

The Company activities / operations are major to in India and as such, there is only one geographical segment. Accordingly, the figures appearing in these financial statements relate to the Company's single geographical segment.

18. INVESTMENTS

Investments which are readily realizable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees & duties.

Long term investments prescribed in the consolidated financial statements are carried at cost and current investment at lower of cost and fair value.

On disposal of an investment, the difference between carrying amount and net disposal proceeds is charged/credited to the consolidated statement of profit & loss.

19. CASH FLOW STATEMENTS

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

20. COVID-19 IMPACT ASSESSMENT

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID-19 is significantly impacting business operation of the companies, by way of various interruption, supply chain disruption, unavailability of personnel. On 24th March 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till 31st May 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

In assessing the recoverability of Company's assets such as Trade receivable, Inventories, Loans, Advances and Other Current Assets the Company has considered internal and external information upto the date of approval of these financial results. The company has performed sensitivity analysis, on the assumptions used basis, the internal and external information / indicators of future economic conditions and expects to recover the carrying amount of the assets.

C. NOTES TO ACCOUNTS

1. 1. NON-ADJUSTMENT ITEMS:

No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Consolidated Financial Statements of the Company have been pointed out during the restated period.

2. MATERIAL REGROUPING

Appropriate regrouping has been made in the restated summary statements of Assets and Liabilities Profits and Losses and Cash flows wherever required by reclassification of the corresponding items of income expenses assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.

The figures have been grouped and classified wherever they were necessary and have been rounded off to the nearest rupee in lakhs. Other figures of the previous years have been regrouped / reclassified and / or rearranged wherever necessary.

3. PAYABLE TO MICRO, SMALL AND MEDIUM ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2nd October 2006, certain disclosures are required to be made relating to Micro and Small Enterprises.

The company has not received the required information from any of the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as the year end together with interest paid/payable as required under the Act have not been made.

4. FOREIGN CURRENCY TRANSACTIONS

(Amount in lakhs, figures in INR)

| Particulars | As at | | | |
|--|-----------|-----------|-----------|-----------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Expenditures incurred in Foreign Currency | | | | |
| Import Purchases | 13,491.15 | 13,516.37 | 9,810.73 | 23,998.53 |
| Ocean Freight | 146.21 | 60.67 | 1.00 | 115.30 |
| Membership Fees | - | - | - | 3.79 |
| Foreign Travelling Expenses | 0.47 | 0.78 | - | 8.53 |
| Business Promotion | 5.38 | - | - | - |

5. OPERATING LEASES

The Company has taken premise on operating lease. Gross rental expenses for the year which has been included under the head Operating expenses – Rent in the statement of profit and loss.

Gross Rental Expenses

(Amounts in lakhs, unless otherwise stated)

| For the period ended | | | |
|----------------------|---------------|---------------|---------------|
| 31-Dec-2022 | 31-March-2022 | 31-March-2021 | 31-March-2020 |
| 86.14 | 107.60 | 97.14 | 113.49 |

| Particulars | For the period ended 31-Dec-2022 | For the year ended 31-March-2022 | For the year ended 31-March-2021 | For the year ended 31-March-2020 |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Minimum lease payments for non-cancellable lease | - | - | - | - |
| - not later than one year | 83.12 | 62.01 | 52.41 | 22.72 |
| - later than one year and not later than five years | 93.64 | 78.43 | 95.49 | 1.25 |
| - later than five years | - | - | - | - |

6. MATERIAL ADJUSTMENTS IN RESTATED PROFIT & LOSS ACCOUNT

(Amount in lakhs, unless otherwise stated)

| Particulars | As at 31-Dec-22 | As at | | |
|---|-----------------|---------------|---------------|-------------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Net profit before tax as per audited financial statements | 237.61 | 156.44 | 248.10 | (2,859.53) |
| Restatement adjustments: | - | - | - | - |
| Total adjustments | - | - | - | - |
| Restated net profit before tax | 237.61 | 156.44 | 248.10 | (2,859.53) |

7. MATERIAL ADJUSTMENTS IN RESTATED TOTAL EQUITY

(Amount in lakhs, unless otherwise stated)

| Particulars | As at 31-Dec-22 | As at | | |
|--|-----------------|-----------------|-----------------|-----------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Equity/ Net worth as per audited financials | 5,483.31 | 5,282.79 | 5,160.72 | 4,979.67 |
| Restatement adjustments: | - | - | - | - |
| Short/ Excess provision of taxation for earlier period | - | 0.04 | 0.22 | 0.08 |
| Total adjustments | - | 0.04 | 0.22 | 0.08 |
| Restated Equity/ Net worth | 5,483.31 | 5,282.75 | 5,160.50 | 4,979.58 |

8. MANAGERIAL REMUNERATION

(Amount in lakhs, unless otherwise stated)

| PARTICULARS | For the period ended 31-Dec-22 | For the year ended | | |
|---------------------------|--------------------------------|--------------------|---------------|---------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Remuneration to Directors | 153.41 | 154.42 | 141.70 | 189.45 |
| Total | 153.41 | 154.42 | 141.70 | 189.45 |

9. REMUNERATION TO AUDITORS

(Amount in lakhs, unless otherwise stated)

| PARTICULARS | For the period ended 31-Dec-22 | For the year ended | | |
|-------------------------------------|-----------------------------------|--------------------|-------------|-------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Payment to Auditors - Audit fees | 2.63 | 5.20 | 4.57 | 3.67 |
| Total | 2.63 | 5.20 | 4.57 | 3.67 |

For N B T and Co
Chartered Accountants

Sd/-
Ashutosh Biyani
Partner
M. No.: 165017
F.R.N.: 140489W
Place: Mumbai
Date: May 17, 2023

For Proventus Agrocom Limited

Sd/-
Durga Prasad Jhavar
MD and CEO
(DIN 02005091)

Sd/-
Shalin Sanjiv Khanna
Director
(DIN - 06734684)

Sd/-
Pinal Rakesh Darji
Company Secretary

Sd/-
Ankush Bhaghchand Jain
Chief Financial Officer

RECONCILIATION OF RESTATED PROFIT AND LOSS

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | AS AT | | | |
|---|-----------|-----------|-----------|------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Net profit before tax as per audited financial statements | 237.61 | 156.44 | 248.10 | (2,859.53) |
| Restatement adjustments: | - | - | - | - |
| Total adjustments | - | - | - | - |
| Restated net profit before tax | 237.61 | 156.44 | 248.10 | (2,859.53) |

(a) RECONCILIATION OF RESTATED EQUITY/ NETWORTH**(Amount in Rs. Lakhs, unless mentioned otherwise)**

| Particulars | AS AT | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Equity/ Networth as per audited financials | 5,483.31 | 5,282.79 | 5,160.72 | 4,979.67 |
| Restatement adjustments: | | | | |
| Short/ Excess provision of taxation for earlier period | - | 0.04 | 0.22 | 0.08 |
| Total adjustments | - | 0.04 | 0.22 | 0.08 |
| Restated Equity/ Networth | 5,483.31 | 5,282.75 | 5,160.50 | 4,979.58 |

(b) Explanatory notes for the restatement adjustments

| |
|---|
| (i) The amount relating to the income/ expenses have been adjusted in the year to which the same relates to and under which head the same related to. |
| (ii) The company has provided excess provision of tax in the year in which income tax return has been filed and has been adjusted in prior period items in financials but in the restated financials it has been adjusted in the same financial year where it relates to. |
| (iii) Appropriate adjustments have been made in the restated consolidated financial statements, wherever required, by reclassification of the corresponding item of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per audited financials of the company for all the years. |

STATEMENT OF SHARE CAPITAL

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | AS AT | | | |
|---|-----------|-----------|-----------|-----------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Authorised* | | | | |
| Number of shares | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| Equity shares of Rs.10 each | 500.00 | 500.00 | 500.00 | 500.00 |
| Issued | | | | |
| Number of shares | 2,455,768 | 2,455,768 | 2,455,768 | 2,455,768 |
| Equity shares of Rs.10 each fully paid up | 245.58 | 245.58 | 245.58 | 245.58 |
| Number of shares | 300,000 | 300,000 | 300,000 | 300,000 |
| Equity shares of Rs.1 each partly paid up | 3.00 | 3.00 | 3.00 | 3.00 |
| Subscribed & Paid up | | | | |
| Number of shares | 2,455,768 | 2,455,768 | 2,455,768 | 2,455,768 |
| Equity shares of Rs.10 each fully paid up | 245.58 | 245.58 | 245.58 | 245.58 |
| Number of shares | 300,000 | 300,000 | 300,000 | 300,000 |
| Equity shares of Rs.1 each partly paid up | 3.00 | 3.00 | 3.00 | 3.00 |

Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of Rs 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 shares 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.

RECONCILIATION OF NUMBER OF SHARES

| Particulars | AS AT | | | |
|--|------------------|------------------|------------------|------------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Shares outstanding at the beginning of the year | 2,755,768 | 2,755,768 | 2,755,768 | 2,755,768 |
| Add: Shares issued during the year | - | - | - | - |
| Less: Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 2,755,768 | 2,755,768 | 2,755,768 | 2,755,768 |

There are no shares held by holding / ultimate holding company and / or their subsidiaries / Associates.

Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Name of Shareholder | Number of Shares and % Holding As At | | | |
|-----------------------------------|--------------------------------------|-----------|-----------|-----------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Shree JMD Investment Advisors LLP | 2,172,822 | 2,523,388 | 2,523,388 | 2,523,388 |
| % Holding | 78.85% | 91.57% | 91.57% | 91.57% |
| Deepak Kumar Agrawal | 208,375 | - | - | - |
| % Holding | 7.56% | - | - | - |
| Shalin Sanjiv Khanna | 147,189 | 4,998 | 4,998 | 4,998 |
| % Holding | 5.34% | 0.18% | 0.18% | 0.18% |

| Shareholding of Promoters at the end of the period | | | As at 31-Dec-2022 | |
|--|---------------|-------------------|----------------------------|--|
| Name of the shareholder | No. of Shares | % of total shares | % change during the period | |
| Shree JMD Investment Advisors LLP | 2,172,822 | 78.85% | -12.72% | |
| Deepak Kumar Agrawal | 208,375 | 7.56% | 7.56% | |
| Shalin Sanjev Khanna | 147,189 | 5.34% | 5.16% | |
| Durga Prasad Jhavar | 5,000 | 0.18% | 0.00% | |
| Ritu Tarun Agrawal | 2,000 | 0.07% | 0.00% | |
| Sanjeev Jagdish Khanna | 8,000 | 0.29% | 0.00% | |
| | | | As at 31-Mar-2022 | |
| Name of the shareholder | No. of Shares | % of total shares | % change during the period | |
| Shree JMD Investment Advisors LLP | 2,523,388 | 91.57% | 0.00% | |
| Deepak Kumar Agrawal | - | - | 0.00% | |
| Shalin Sanjev Khanna | 4,998 | 0.18% | 0.00% | |
| Durga Prasad Jhavar | 5,000 | 0.18% | 0.00% | |
| Ritu Tarun Agrawal | 2,000 | 0.07% | 0.00% | |
| Sanjeev Jagdish Khanna | 8,000 | 0.29% | 0.00% | |
| | | | As at 31-Mar-2021 | |
| Name of the shareholder | No. of Shares | % of total shares | % change during the period | |

| | | | |
|-----------------------------------|----------------------|--------------------------|--------------------------|
| Shree JMD Investment Advisors LLP | 2,523,388 | 91.57% | 0.00% |
| Deepak Kumar Agrawal | - | - | - |
| Shalin Sanjev Khanna | 4,998 | 0.18% | 0.00% |
| Durga Prasad Jhavar | 5,000 | 0.18% | 0.00% |
| Ritu Tarun Agrawal | 2,000 | 0.07% | 0.00% |
| Sanjeev Jagdish Khanna | 8,000 | 0.29% | 0.00% |
| | | | <i>As at 31-Mar-2020</i> |
| Name of the shareholder | No. of Shares | % of total shares | |
| Shree JMD Investment Advisors LLP | 2,523,388 | 91.57% | |
| Deepak Kumar Agrawal | - | - | |
| Shalin Sanjev Khanna | 4,998 | 0.18% | |
| Durga Prasad Jhavar | 5,000 | 0.18% | |
| Ritu Tarun Agrawal | 2,000 | 0.07% | |
| Sanjeev Jagdish Khanna | 8,000 | 0.29% | |

STATEMENT OF RESERVES AND SURPLUS

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | AS AT | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Securities Premium | | | | |
| Balance as per last financial statements | 4,832.43 | 4,832.43 | 4,832.43 | 4,832.43 |
| Add: Received during the year | - | - | - | - |
| Balance as per end of the financial period (A) | 4,832.43 | 4,832.43 | 4,832.43 | 4,832.43 |
| Foreign Currency Translation Reserve | | | | |
| Balance as per last financial statements | 25.36 | 16.97 | 24.37 | 3.35 |
| Add: Current year translation reserve | 19.15 | 8.39 | (7.40) | 21.02 |
| Balance as per end of the financial period (B) | 44.50 | 25.36 | 16.97 | 24.37 |
| Surplus of Profit and Loss Account | | | | |
| Balance as per the last financial statements | 176.29 | 62.53 | (125.79) | 2,064.66 |
| Profit/(Loss) for the year | 181.51 | 113.76 | 188.32 | (2,190.46) |
| Amount available for appropriation | 357.81 | 176.29 | 62.53 | (125.79) |
| Less - Prior period provision for income tax write off | | | | |
| Balance as per end of the financial period (B) | 357.81 | 176.29 | 62.53 | (125.79) |
| Total | 5,234.74 | 5,034.08 | 4,911.92 | 4,731.01 |

STATEMENT OF MINORITY INTEREST

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | AS AT | | | |
|--|-------------|-------------|-------------|-----------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Face value of Equity Shares | 0.49 | 0.49 | 0.49 | - |
| 49% of current periods profit and (loss) in Prov-Nova Bio Technologies Private Limited | (0.15) | (0.42) | - | - |
| 49% of closing Reserves and Surplus in Prov-Nova Bio Technologies Private Limited | 8.30 | 0.27 | (0.42) | - |
| Total | 8.64 | 0.34 | 0.07 | - |

STATEMENT OF LONG TERM BORROWINGS

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | AS AT | | | |
|--|---------------|-----------------|---------------|---------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Secured Loan | | | | |
| - From bank and financial institutions | 369.00 | 370.53 | 4.13 | 6.74 |
| | 369.00 | 370.53 | 4.13 | 6.74 |
| Unsecured Loan | | | | |
| - From related parties | 490.97 | 750.97 | 716.72 | 743.47 |
| | 490.97 | 750.97 | 716.72 | 743.47 |
| Total | 859.97 | 1,121.50 | 720.85 | 750.21 |

STATEMENT OF SHORT TERM BORROWINGS

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | AS AT | | | |
|--|-----------------|-----------------|-----------------|---------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Secured Loan | | | | |
| - Current maturities of long term borrowings | 4.49 | 7.99 | 2.61 | 2.39 |
| - From bank and financial institutions | 2,196.67 | 2,302.33 | 2,193.28 | 975.94 |
| | 2,201.16 | 2,310.32 | 2,195.89 | 978.33 |
| Unsecured Loan | | | | |
| - From related parties | - | 12.23 | 23.98 | - |
| | - | 12.23 | 23.98 | - |
| Total | 2,201.16 | 2,322.55 | 2,219.87 | 978.33 |

| | | | | |
|----------------------------|----------|----------|----------|--------|
| The above amount includes: | | | | |
| Secured Borrowings | 2,570.16 | 2,680.85 | 2,200.02 | 985.07 |
| Unsecured Borrowings | 490.97 | 763.20 | 740.70 | 743.47 |

| STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY | | | | | | | | | | | |
|--|--|--------------------|------------------|----------------------------------|--|--------------------|-----------------------------|--|--|--|--|
| Name of Lender | Loan Taken By | Nature of Facility | Purpose | Sanctioned Amount (In Lakhs Rs.) | Securities offered | Re-Payment Mode | Rate of Interest | Outstanding amount (In Lakhs Rs.) as on (as per Books) | Outstanding amount (In Lakhs Rs.) as on (as per Books) | Outstanding amount (In Lakhs Rs.) as on (as per Books) | Outstanding amount (In Lakhs Rs.) as on (as per Books) |
| | | | | | | | | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Canara Bank- Cash Credit | Proventus AgroCom Limited | Working Capital | Business Purpose | 1,479.00 | 1) Stock & Book debts 2) Flat 103, Kandivali3) Flat 601, Santacruz | NEFT/ RTGS/ Cheque | RLLR @8.30% + 0.75% = 9.05% | 1,337.41 | 1,143.83 | 930.38 | 72.64 |
| Anand Rathi Global Finance Limited | Proventus AgroCom Limited | Equity Funding | Business Purpose | 100.00 | Equity | NEFT/ RTGS/ Cheque | 14.00% | - | - | - | 106.60 |
| Axis Bank Limited | Proventus AgroCom Limited | Warehouse Funding | Business Purpose | 1,000.00 | Pleade of warehouse receipt/storage receipt | NEFT/ RTGS/ Cheque | 9.50% | - | - | 74.73 | 792.14 |
| Car Loan-HDFC Bank | Proventus AgroCom Limited | Car Finance | Business Purpose | 12.50 | - | NEFT/ RTGS/ Cheque | 9.00% | 2.27 | 4.39 | 6.74 | 9.13 |
| Kotak Mahindra Bank (Loan) | Proventus AgroCom Limited | Warehouse Funding | Business Purpose | 4,000.00 | Pleade of warehouse receipt/storage receipt | NEFT/ RTGS/ Cheque | MCLR | - | 530.63 | 588.09 | 4.28 |
| Canara Bank | Prov Food Private Limited | Working Capital | Business Purpose | 1,200.00 | 1) Stock & Book debts 2) Flat 3001, Goregaon(East) | NEFT/ RTGS/ Cheque | 10.15% | 1,012.54 | 1,002.01 | 600.08 | - |
| ICICI Bank | Prov Food Private Limited | Working Capital | Business Purpose | 500.00 | 1) Debtors | NEFT/ RTGS/ Cheque | 9.88% | 217.95 | - | - | - |
| Philip Finance & Investment Services India Private Limited | Proventus AgroCom Limited | Unsecured Loan | Business Purpose | - | Unsecured Loan | NEFT/ RTGS/ Cheque | - | - | - | - | 0.29 |
| Loan From Directors | Prov Nova Bio Technologies Private Limited & Proventus AgroCom Limited | Unsecured Loan | Business Purpose | - | Unsecured Loan | NEFT/ RTGS/ Cheque | - | 490.97 | 763.20 | 740.70 | 743.47 |

STATEMENT OF TRADE PAYABLES

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | AS AT | | | |
|---------------------------------------|---------------|-----------------|---------------|---------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| For Goods & Services | | | | |
| - Micro, small and medium enterprises | - | - | - | - |
| - Others | 942.85 | 1,264.83 | 646.45 | 843.38 |
| Further classified to: | | | | |
| - Related party | - | - | 1.29 | - |
| - Others | 942.85 | 1,264.83 | 645.17 | 843.38 |
| Total | 942.85 | 1,264.83 | 646.45 | 843.38 |

The trade payables ageing schedule for the period December 31, 2022 is as follows

| Particulars | Not due for payment | Outstanding for following periods from due date of payment | | | | Total |
|------------------------|---------------------|--|----------|----------|------------------|---------------|
| | | Less than 1 year | 1-2 year | 2-3 year | More than 3 Year | |
| MSME | - | - | - | - | - | - |
| Others | 934.23 | 5.34 | 2.52 | 0.77 | | 942.85 |
| Disputed dues - MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |

The trade payables ageing schedule for the period March 31, 2022 is as follows

| Particulars | Not due for payment | Outstanding for following periods from due date of payment | | | | Total |
|------------------------|---------------------|--|----------|----------|------------------|-----------------|
| | | Less than 1 year | 1-2 year | 2-3 year | More than 3 Year | |
| MSME | - | - | - | - | - | - |
| Others | 1,250.97 | 12.52 | 0.80 | 0.54 | | 1,264.83 |
| Disputed dues - MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |

The trade payables ageing schedule for the period March 31, 2021 is as follows

| Particulars | Not due for payment | Outstanding for following periods from due date of payment | | | | Total |
|------------------------|---------------------|--|----------|----------|------------------|---------------|
| | | Less than 1 year | 1-2 year | 2-3 year | More than 3 Year | |
| MSME | - | - | - | - | - | - |
| Others | 645.12 | 0.80 | 0.53 | - | - | 646.45 |
| Disputed dues - MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |

The trade payables ageing schedule for the period March 31, 2020 is as follows

| Particulars | Not due for payment | Outstanding for following periods from due date of payment | | | | Total |
|------------------------|---------------------|--|----------|----------|------------------|---------------|
| | | Less than 1 year | 1-2 year | 2-3 year | More than 3 Year | |
| MSME | - | - | - | - | - | - |
| Others | 842.84 | 0.54 | - | - | - | 843.38 |
| Disputed dues - MSME | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - |

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

| Particulars | AS AT | | | |
|---|-----------|-----------|-----------|-----------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| (a) Amount remaining unpaid to any supplier at the end of each accounting year: | | | | |
| Principal and interest | - | - | - | - |

| | | | | |
|---|---|---|---|---|
| Total | - | - | - | - |
| (b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | - | - | - | - |
| (c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act. | - | - | - | - |
| (d) The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - | - | - |
| (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act. | - | - | - | - |

STATEMENT OF OTHER CURRENT LIABILITIES

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | AS AT | | | |
|----------------------------|---------------|---------------|--------------|-----------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Statutory dues payable | | | | |
| Advance from customers | 118.09 | 64.73 | 22.87 | 1,270.74 |
| Security Deposits | 1.08 | 0.40 | 0.67 | 0.79 |
| Statutory Remittances | 16.94 | 26.39 | 20.37 | 106.97 |
| Salary Payable | 2.98 | 5.75 | - | 5.25 |
| Payable to related parties | | | | |
| - Remuneration Payable | - | - | 4.05 | - |
| - Interest Payable | - | - | - | - |
| - Other Payable | 0.09 | 3.38 | 0.05 | 0.05 |
| Total | 139.19 | 100.65 | 48.00 | 1,383.80 |

STATEMENT OF SHORT TERM PROVISIONS

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | AS AT | | | |
|--|---------------|--------------|--------------|-------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Provision for employee benefit expense | 50.71 | 37.99 | 30.94 | - |
| Provision for expenses | 49.53 | 0.19 | - | - |
| Provision for income tax (net of advance tax and tax deducted at source) | - | 0.35 | 16.68 | 1.64 |
| Total | 100.24 | 38.52 | 47.62 | 1.64 |

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(Amount in Rs. Lakhs, unless mentioned otherwise)

A. PROPERTY, PLANT AND EQUIPMENT

| PARTICULARS | Factory & Building | Leasehold improvements | Plant and Equipment | Furniture and fixtures | Vehicles | Office equipment | Computers | Capital Work-In-Progress (Annexure 15C) | Total |
|---|--------------------|------------------------|---------------------|------------------------|--------------|------------------|--------------|---|---------------|
| Period ended December 31, 2022 | | | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | | | |
| Opening gross carrying amount | 134.21 | 42.66 | 236.05 | 16.09 | 58.26 | 14.59 | 22.31 | - | 524.17 |
| Additions | 4.70 | - | 14.99 | 2.67 | - | 2.58 | 2.65 | - | 27.59 |
| Disposals/Adjustment | - | - | - | - | - | - | - | - | - |
| Closing Gross Carrying Amount | 138.90 | 42.66 | 251.04 | 18.76 | 58.26 | 17.17 | 24.97 | - | 551.76 |
| ACCUMULATED DEPRECIATION | | | | | | | | | |
| Opening accumulated depreciation | 74.67 | 41.14 | 64.50 | 10.93 | 48.00 | 11.87 | 19.50 | - | 270.61 |
| Depreciation charged during the year | 21.15 | - | 24.97 | 1.28 | 2.41 | 1.26 | 1.02 | - | 52.09 |
| Disposals/Adjustments | - | - | - | - | - | - | - | - | - |
| Closing Accumulated Depreciation | 95.83 | 41.14 | 89.47 | 12.20 | 50.41 | 13.14 | 20.52 | - | 322.71 |
| Net Carrying Amount | 43.08 | 1.52 | 161.57 | 6.56 | 7.85 | 4.03 | 4.44 | - | 229.05 |

| PARTICULARS | Factory & Building | Leasehold improvements | Plant and Equipment | Furniture and fixtures | Vehicles | Office equipment | Computers | Capital Work-In-Progress (Annexure 15C) | Total |
|---|--------------------|------------------------|---------------------|------------------------|--------------|------------------|--------------|---|---------------|
| Year ended March 31, 2022 | | | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | | | |
| Opening gross carrying amount | 108.33 | 42.30 | 175.51 | 16.09 | 58.26 | 13.31 | 18.69 | - | 432.48 |
| Additions | 25.87 | 0.36 | 60.55 | - | - | 1.28 | 3.62 | - | 91.69 |
| Disposals/Adjustment | - | - | - | - | - | - | - | - | - |
| Closing Gross Carrying Amount | 134.21 | 42.66 | 236.05 | 16.09 | 58.26 | 14.59 | 22.31 | - | 524.17 |
| ACCUMULATED DEPRECIATION | | | | | | | | | |
| Opening accumulated depreciation | 34.62 | 39.96 | 29.58 | 9.02 | 43.34 | 9.64 | 17.86 | - | 184.02 |
| Depreciation charged during the year | 40.05 | 1.18 | 34.92 | 1.91 | 4.66 | 2.23 | 1.64 | - | 86.59 |
| Disposals/Adjustments | - | - | - | - | - | - | - | - | - |
| Closing Accumulated Depreciation | 74.67 | 41.14 | 64.50 | 10.93 | 48.00 | 11.87 | 19.50 | - | 270.61 |
| Net Carrying Amount | 59.53 | 1.52 | 171.55 | 5.17 | 10.26 | 2.71 | 2.81 | - | 253.56 |

| PARTICULARS | Factory & Building | Leasehold improvements | Plant and Equipment | Furniture and fixtures | Vehicles | Office equipment | Computers | Capital Work-In-Progress (Annexure 15C) | Total |
|----------------------------------|--------------------|------------------------|---------------------|------------------------|----------|------------------|-----------|---|-------|
| Year ended March 31, 2021 | | | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | | | |

| | | | | | | | | | |
|---|---------------|--------------|---------------|--------------|--------------|--------------|--------------|----------|---------------|
| Opening gross carrying amount | 18.11 | 42.30 | 44.18 | 15.11 | 58.26 | 10.77 | 18.49 | 161.71 | 368.93 |
| Additions | 105.94 | - | 131.33 | 0.98 | - | 2.54 | 0.20 | - | 240.99 |
| Disposals/Adjustment | 15.72 | - | - | - | - | - | - | 161.71 | 177.43 |
| Closing Gross Carrying Amount | 108.33 | 42.30 | 175.51 | 16.09 | 58.26 | 13.31 | 18.69 | - | 787.35 |
| ACCUMULATED DEPRECIATION | | | | | | | | | |
| Opening accumulated depreciation | 10.15 | 37.76 | 11.66 | 6.74 | 36.56 | 8.26 | 16.63 | - | 127.76 |
| Depreciation charged during the year | 34.53 | 2.19 | 17.93 | 2.28 | 6.78 | 1.38 | 1.23 | - | 66.32 |
| Disposals/Adjustments | 10.06 | - | - | - | - | - | - | - | 10.06 |
| Closing Accumulated Depreciation | 34.62 | 39.96 | 29.58 | 9.02 | 43.34 | 9.64 | 17.86 | - | 204.13 |
| Net Carrying Amount | 73.71 | 2.35 | 145.92 | 7.08 | 14.92 | 3.66 | 0.82 | - | 583.22 |

| PARTICULARS | Factory & Building | Leasehold improvements | Plant and Equipment | Furniture and fixtures | Vehicles | Office equipment | Computers | Capital Work-In-Progress (Annexure 15C) | Total |
|---|--------------------|------------------------|---------------------|------------------------|--------------|------------------|--------------|---|---------------|
| Year ended March 31, 2020 | | | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | | | |
| Opening gross carrying amount | 16.32 | 42.30 | 27.26 | 11.79 | 53.64 | 9.32 | 17.70 | - | 178.34 |
| Additions | 1.79 | - | 16.91 | 3.33 | 4.62 | 1.45 | 0.79 | 161.71 | 190.59 |
| Disposals/Adjustment | - | - | - | - | - | - | - | - | - |
| Closing Gross Carrying Amount | 18.11 | 42.30 | 44.18 | 15.11 | 58.26 | 10.77 | 18.49 | 161.71 | 368.93 |
| ACCUMULATED DEPRECIATION | | | | | | | | | |
| Opening accumulated depreciation | 4.17 | 33.68 | 4.13 | 4.08 | 27.28 | 6.63 | 14.20 | - | 94.17 |
| Depreciation charged during the year | 5.98 | 4.09 | 7.52 | 2.66 | 9.28 | 1.63 | 2.43 | - | 33.58 |
| Disposals/Adjustments | - | - | - | - | - | - | - | - | - |
| Closing Accumulated Depreciation | 10.15 | 37.76 | 11.66 | 6.74 | 36.56 | 8.26 | 16.63 | - | 127.76 |
| Net Carrying Amount | 7.96 | 4.54 | 32.52 | 8.37 | 21.70 | 2.51 | 1.86 | 161.71 | 241.17 |

Title Deeds of Immovable Property not held in the Name of Company.

| Particular | Relevant Line Item in Balance Sheet | Description of Item of Property | Gross Carrying Value | Title Deeds held in the name of | Whether the title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of company |
|------------|-------------------------------------|---------------------------------|----------------------|---------------------------------|---|--------------------------------|--|
|------------|-------------------------------------|---------------------------------|----------------------|---------------------------------|---|--------------------------------|--|

There is no immovable property whose title deeds are not held other than in the name of the company therefore not applicable.

Benami Property

There is no proceeding initiated or pending against the company for holding any benami property under Benami Transaction (Prohibition) Act 1988.

B. INTANGIBLE ASSETS

| PARTICULARS | Computer Software | Total |
|---|-------------------|--------------|
| Period ended December 31, 2022 | | |
| GROSS CARRYING AMOUNT | | |
| Opening gross carrying amount | 14.14 | 14.14 |
| Additions | - | - |
| Disposals/Adjustment | - | - |
| Closing Gross Carrying Amount | 14.14 | 14.14 |
| ACCUMULATED DEPRECIATION | | |
| Opening accumulated depreciation | 13.64 | 13.64 |
| Depreciation charged during the year | - | - |
| Disposals/Adjustments | - | - |
| Closing Accumulated Depreciation | 13.64 | 13.64 |
| Net Carrying Amount | 0.51 | 0.51 |

| PARTICULARS | Computer Software | Total |
|---|-------------------|--------------|
| Year ended March 31, 2022 | | |
| GROSS CARRYING AMOUNT | | |
| Opening gross carrying amount | 14.14 | 14.14 |
| Additions | - | - |
| Disposals/Adjustment | - | - |
| Closing Gross Carrying Amount | 14.14 | 14.14 |
| ACCUMULATED DEPRECIATION | | |
| Opening accumulated depreciation | 11.96 | 11.96 |
| Depreciation charged during the year | 1.67 | 1.67 |
| Disposals/Adjustments | - | - |
| Closing Accumulated Depreciation | 13.64 | 13.64 |
| Net Carrying Amount | 0.51 | 0.51 |

| PARTICULARS | Computer Software | Total |
|---|-------------------|--------------|
| Year ended March 31, 2021 | | |
| GROSS CARRYING AMOUNT | | |
| Opening gross carrying amount | 12.43 | 12.43 |
| Additions | 1.72 | 1.72 |
| Disposals/Adjustment | - | - |
| Closing Gross Carrying Amount | 14.14 | 14.14 |
| ACCUMULATED DEPRECIATION | | |
| Opening accumulated depreciation | 10.11 | 10.11 |
| Depreciation charged during the year | 1.86 | 1.86 |
| Disposals/Adjustments | - | - |
| Closing Accumulated Depreciation | 11.96 | 11.96 |

| | | |
|----------------------------|------|------|
| Net Carrying Amount | 2.18 | 2.18 |
|----------------------------|------|------|

| PARTICULARS | Computer Software | Total |
|---|--------------------------|--------------|
| Year ended March 31, 2020 | | |
| GROSS CARRYING AMOUNT | | |
| Opening gross carrying amount | 10.72 | 10.72 |
| Additions | 1.70 | 1.70 |
| Disposals/Adjustment | - | - |
| Closing Gross Carrying Amount | 12.43 | 12.43 |
| ACCUMULATED DEPRECIATION | | |
| Opening accumulated depreciation | 6.87 | 6.87 |
| Depreciation charged during the year | 3.23 | 3.23 |
| Disposals/Adjustments | - | - |
| Closing Accumulated Depreciation | 10.11 | 10.11 |
| Net Carrying Amount | 2.32 | 2.32 |

C. CAPITAL WORK-IN PROGRESS (CWIP)

| Period ended December 31, 2022 | | | | | |
|---------------------------------------|---------------------------------------|------------------|------------------|--------------------------|--------------|
| CWIP | Amount in CWIP for a period of | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | | | | | - |
| Projects temporarily suspended | - | - | - | - | - |

| Year ended March 31, 2022 | | | | | |
|----------------------------------|---------------------------------------|------------------|------------------|--------------------------|--------------|
| CWIP | Amount in CWIP for a period of | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |

| Year ended March 31, 2021 | | | | | |
|----------------------------------|---------------------------------------|------------------|------------------|--------------------------|--------------|
| CWIP | Amount in CWIP for a period of | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |

| Year ended March 31, 2020 | | | | | |
|----------------------------------|---------------------------------------|------------------|------------------|--------------------------|--------------|
| CWIP | Amount in CWIP for a period of | | | | Total |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Projects in progress | 161.71 | - | - | - | 161.71 |
| Projects temporarily suspended | - | - | - | - | - |

STATEMENT OF GOODWILL ON CONSOLIDATION

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | AS AT | | | |
|---------------------------|-------------|-------------|-------------|-------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Goodwill on Consolidation | 2.99 | 2.99 | 2.99 | 2.99 |
| Total | 2.99 | 2.99 | 2.99 | 2.99 |

STATEMENT OF LONG TERM LOANS & ADVANCES

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | AS AT | | | |
|-----------------------------------|--------------|--------------|--------------|--------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Unsecured, Considered good | | | | |
| Security deposits | 53.93 | 49.49 | 46.53 | 54.85 |
| Vat deposits | 0.48 | 0.48 | 0.48 | 0.20 |
| Total | 54.41 | 49.97 | 47.01 | 55.05 |

STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | AS AT | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Tax effect of item constituting deferred tax assets (A) | | | | |
| - on difference in WDV of property, plant & equipment as per books and income tax | (27.51) | (25.02) | (19.88) | (14.10) |
| - on brought forward losses and unabsorbed depreciation | (631.44) | (653.12) | (693.50) | (731.10) |
| - unrealised loss on equity/derivative instruments (net) | (0.01) | (6.73) | (3.49) | (3.02) |
| - others allowable preliminary expenses & gratuity expenses under the provisions of income tax act | (13.25) | (10.37) | (1.19) | (1.51) |
| Tax Effect of item constituting deferred tax liability (B) | | | | |
| - unrealised gain on equity/derivative instruments (net) | - | 1.35 | 0.82 | - |
| Closing Balance of Deferred Tax (Asset)/ Liability (A-B) | (672.22) | (693.89) | (717.24) | (749.73) |

STATEMENT OF INVENTORIES

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | AS AT | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| (As taken, valued and certified by the Management) | | | | |
| (Valued at Cost or Market value, whichever is lower) | | | | |
| Raw Materials | 615.94 | 563.73 | 80.33 | - |
| Packing Material | 123.22 | 51.01 | 9.26 | - |
| Finished Goods | 355.91 | 160.14 | 234.63 | - |
| Stock-in-Trade | 1,853.79 | 2,964.39 | 2,221.45 | 1,843.76 |
| Total | 2,948.86 | 3,739.26 | 2,545.67 | 1,843.76 |

STATEMENT OF TRADE RECEIVABLE

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | AS AT | | | |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Unsecured | | | | |
| -Considered good | 3,257.30 | 1,952.68 | 1,921.49 | 1,689.69 |
| Less : | | | | |
| Provision for doubtful debts | - | - | - | - |
| Total | 3,257.30 | 1,952.68 | 1,921.49 | 1,689.69 |
| Further classified as: | | | | |
| Receivable from related parties | 85.74 | 22.97 | 31.75 | - |
| Receivable from others | 3,171.56 | 1,929.71 | 1,889.74 | 1,689.69 |
| Total | 3,257.30 | 1,952.68 | 1,921.49 | 1,689.69 |

The trade receivables ageing schedule for the period December 31, 2022 is as follows

| Particulars | Less than 6 months | 6 Month to 1 year | 1-2 years | 2-3 years | More than 3 Years | Total |
|---|--------------------|-------------------|-----------|-----------|-------------------|-----------------|
| (i) Undisputed trade receivables – considered good | 2,756.94 | 142.47 | 8.95 | 294.15 | 54.79 | 3,257.30 |
| (ii) Undisputed trade receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed trade receivables considered good | - | - | - | - | - | - |
| (iv) Disputed trade receivables considered doubtful | - | - | - | - | - | - |

The trade receivables ageing schedule for the period March 31, 2022 is as follows

| Particulars | Less than 6 months | 6 Month to 1 year | 1-2 years | 2-3 years | More than 3 Years | Total |
|---|--------------------|-------------------|-----------|-----------|-------------------|-----------------|
| (i) Undisputed trade receivables – considered good | 1,591.85 | 25.78 | 270.54 | 48.17 | 16.35 | 1,952.68 |
| (ii) Undisputed trade receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed trade receivables considered good | - | - | - | - | - | - |
| (iv) Disputed trade receivables considered doubtful | - | - | - | - | - | - |

The trade receivables ageing schedule for the period March 31, 2021 is as follows

| Particulars | Less than 6 months | 6 Month to 1 year | 1-2 years | 2-3 years | More than 3 Years | Total |
|---|--------------------|-------------------|-----------|-----------|-------------------|-----------------|
| (i) Undisputed trade receivables – considered good | 1,575.46 | 270.43 | 48.17 | 27.43 | - | 1,921.49 |
| (ii) Undisputed trade receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed trade receivables considered good | - | - | - | - | - | - |
| (iv) Disputed trade receivables considered doubtful | - | - | - | - | - | - |

The trade receivables ageing schedule for the period March 31, 2020 is as follows

| Particulars | Less than 6 months | 6 Month to 1 year | 1-2 years | 2-3 years | More than 3 Years | Total |
|---|--------------------|-------------------|-----------|-----------|-------------------|-----------------|
| (i) Undisputed trade receivables – considered good | 1,556.89 | - | 42.69 | 90.12 | - | 1,689.69 |
| (ii) Undisputed trade receivables – considered doubtful | - | - | - | - | - | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| (iii) Disputed trade receivables considered good | - | - | - | - | - | - |
| (iv) Disputed trade receivables considered doubtful | - | - | - | - | - | - |

STATEMENT OF CASH & CASH EQUIVALENTS

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | AS AT | | | |
|---|---------------|-----------------|-----------------|---------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Cash on hand (As Certified by Management) | 64.94 | 9.27 | 7.22 | 2.98 |
| Balances with banks | | | | |
| - In Current Accounts | 305.76 | 1,407.18 | 923.42 | 98.35 |
| - In Deposit Account | 45.03 | 17.84 | 368.86 | 120.51 |
| Total | 415.73 | 1,434.29 | 1,299.50 | 221.84 |

STATEMENT OF OTHER CURRENT ASSETS

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | AS AT | | | |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Prepaid expenses | 22.71 | 14.07 | 58.04 | 128.81 |
| Deposit with revenue authorities | 684.30 | 578.33 | 527.20 | 518.01 |
| Advances given:- | | | | |
| - To related parties | 0.69 | - | - | - |
| - To suppliers | 1,318.40 | 1,087.35 | 1,331.87 | 3,151.34 |
| - To others | 128.21 | 225.50 | 42.06 | 239.03 |
| Other current assets | - | 98.74 | 99.64 | 93.19 |
| Total | 2,154.31 | 2,003.98 | 2,058.81 | 4,130.38 |

STATEMENT OF REVENUE FROM OPERATIONS

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | For the period / year ended | | | |
|---|-----------------------------|------------------|------------------|------------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Sale of goods | 31,687.22 | 40,091.20 | 30,030.64 | 89,536.43 |
| Sale of Shares | - | 178.90 | | 83.71 |
| Other Operating Revenue | | | | |
| - Liquidity Enhancement Scheme Incentive | 99.00 | 56.57 | 56.86 | - |
| - Profit on trading in derivative instruments (net) | 12.05 | - | - | - |
| Total | 31,798.26 | 40,326.68 | 30,087.50 | 89,620.14 |

STATEMENT OF OTHER INCOME

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | For the period / year ended | | | |
|-------------------------------------|-----------------------------|---------------|--------------|---------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Interest income | 4.91 | 19.11 | 24.64 | 370.04 |
| Discount on MEIS license | 80.40 | 5.98 | 14.51 | 67.41 |
| Refund of exchange trading expenses | - | 21.19 | - | - |
| Profit on sale of securities (net) | - | 34.53 | 19.89 | 25.11 |
| Commission & brokerage | - | 0.70 | - | 2.84 |
| Foreign exchange gain (net) | - | 16.73 | 0.44 | 3.11 |
| Dividend income | 0.23 | 0.23 | 0.02 | - |
| Other income | 1.93 | 9.42 | 26.92 | 0.37 |
| Insurance Claim | 23.91 | | | |
| Total | 111.37 | 107.89 | 86.42 | 468.87 |

STATEMENT OF RAW MATERIAL CONSUMED

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | For the period / year ended | | | |
|------------------------------|-----------------------------|------------------|-----------------|-----------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Opening Stock | | | | |
| Raw Material | 563.73 | 80.33 | - | - |
| Packing Material | 51.01 | 9.26 | - | - |
| | 614.74 | 89.59 | - | - |
| Add : Purchases | 16,819.15 | 15,435.54 | 2,488.50 | - |
| Add : Direct Expenses | 2,678.92 | 2,502.16 | 2,802.20 | 4,643.02 |
| Closing Stock | | | | |
| Raw Material | 615.94 | 563.73 | 80.33 | - |
| Packing Material | 123.22 | 51.01 | 9.26 | - |
| | 739.16 | 614.74 | 89.59 | - |
| | | | | |
| Total | 19,373.65 | 17,412.54 | 5,201.11 | 4,643.02 |

STATEMENT OF PURCHASES OF STOCK IN TRADE

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | For the period / year ended | | | |
|-----------------------------|-----------------------------|------------------|------------------|------------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Purchases of Stock in Trade | 10,046.91 | 21,791.43 | 23,950.83 | 66,820.96 |
| Total | 10,046.91 | 21,791.43 | 23,950.83 | 66,820.96 |

STATEMENT OF CHANGES IN INVENTORIES OF STOCK-IN-TRADE

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | For the period / year ended | | | |
|---|-----------------------------|-----------------|-----------------|------------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Inventories at the end of the year | | | | |
| Finished Goods | 355.91 | 160.14 | 234.63 | - |
| Stock-In-Trade | 1,853.79 | 2,964.39 | 2,221.45 | 1,843.76 |
| | | | | |
| Inventories at the beginning of the year | | | | |
| Finished Goods | 160.14 | 234.63 | - | - |
| Stock-In-Trade | 2,964.39 | 2,221.45 | 1,843.76 | 19,184.37 |
| Net(Increase)/decrease | 914.83 | (668.44) | (612.32) | 17,340.60 |

STATEMENT OF EMPLOYEE BENEFITS EXPENSES

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | For the period / year ended | | | |
|------------------------------------|-----------------------------|---------------|---------------|---------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| a) Salaries and bonus | | | | |
| - To others | 189.73 | 218.35 | 180.94 | 132.51 |
| - To related parties | 9.00 | 3.00 | - | - |
| b) Director's remuneration | 153.41 | 154.42 | 141.70 | 189.45 |
| c) Other employee benefit expenses | 6.57 | 6.14 | 5.24 | 3.62 |
| d) Contribution to various funds | 13.26 | 7.61 | 0.43 | 19.47 |
| Total | 371.97 | 389.53 | 328.31 | 345.05 |

STATEMENT OF FINANCE COST

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | For the period / year ended | | | |
|-----------------------|-----------------------------|---------------|--------------|-----------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Interest paid ; | | | | |
| - To banks | 192.83 | 184.06 | 58.12 | 1,083.64 |
| - To related parties | 1.00 | - | - | - |
| Other finance charges | 28.17 | 29.03 | 22.53 | 40.48 |
| Total | 222.00 | 213.09 | 80.65 | 1,124.12 |

STATEMENT OF DEPRECIATION AND AMORTIZATION

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | For the period / year ended | | | |
|--------------|-----------------------------|--------------|--------------|--------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Depreciation | 52.09 | 86.59 | 66.32 | 33.58 |
| Amortization | - | 1.67 | 1.86 | 3.23 |
| Total | 52.09 | 88.27 | 68.17 | 36.82 |

Annexure 31

STATEMENT OF OTHER EXPENSES

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | For the period / year ended | | | |
|--|-----------------------------|-----------------|---------------|-----------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Audit Fees | 2.63 | 5.20 | 4.57 | 3.67 |
| Commission and brokerage | | | | |
| - To others | 39.44 | 94.04 | 38.58 | 113.00 |
| - To related parties | 2.04 | 1.46 | - | - |
| Exchange trading expenses | 10.13 | 21.57 | 48.91 | 132.95 |
| Legal & professional fees - other than payments to auditor | 25.25 | 27.03 | 41.13 | 21.04 |
| Loss on trading in derivative instruments (net) | - | 101.40 | 283.13 | 1,926.04 |
| Marketing & branding expenses | 2.52 | 60.00 | - | - |
| Office expenses | 12.27 | 24.00 | 15.03 | 11.31 |
| Packing expenses | 301.70 | 252.41 | 196.83 | 118.64 |
| Rates and taxes | 8.80 | 41.77 | 7.17 | 7.31 |
| Rent | 18.54 | 63.53 | 56.26 | 113.49 |
| Sales promotion | 14.20 | 26.20 | 1.69 | - |
| Transportation & delivery charges | 79.82 | 173.38 | 122.89 | 41.25 |
| Travelling expenses | 8.23 | 14.29 | 21.03 | 39.85 |
| Other Expenses | 164.99 | 150.62 | 76.41 | 113.08 |
| TOTAL | 690.56 | 1,051.71 | 909.07 | 2,637.97 |

Annexure 31.1

STATEMENT OF PAYMENT TO AUDITORS

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | For the period / year ended | | | |
|---------------------|-----------------------------|-------------|-------------|-------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Payment to auditors | | | | |
| - Audit fees | 2.63 | 5.20 | 4.57 | 3.67 |
| Total | 2.63 | 5.20 | 4.57 | 3.67 |

STATEMENT OF MANDATORY ACCOUNTING RATIOS

(Amount in Rs. Lakhs, except share data)

| Particulars | As at / for the period/year ended | | | |
|--|-----------------------------------|-----------|-----------|------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Net Worth (A) | 5,483.31 | 5,282.75 | 5,160.50 | 4,979.58 |
| Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) | 400.33 | 349.91 | 310.51 | (2,167.47) |
| Restated profit after tax (B) | 189.82 | 114.12 | 187.90 | (2,190.46) |
| Number of equity share outstanding as on the end of year/period - Refer Note 1 | 2,485,768 | 2,485,768 | 2,485,768 | 2,485,768 |
| Weighted average number of equity shares outstanding during the year/period (D) - Refer Note 1 | 2,485,768 | 2,485,768 | 2,485,768 | 2,485,768 |
| Weighted average number of diluted equity shares outstanding during the year/period (E) - Refer Note 1 | 2,485,768 | 2,485,768 | 2,485,768 | 2,485,768 |
| Current assets (E) | 8,776.20 | 9,130.22 | 7,825.47 | 7,885.68 |
| Current liabilities (F) | 3,383.45 | 3,726.55 | 2,961.94 | 3,207.14 |
| Basic earning per share (INR) (B/D)* | 7.64 | 4.59 | 7.56 | (88.12) |
| Diluted earning per share (INR) (B/E)* | 7.64 | 4.59 | 7.56 | (88.12) |
| Return on net worth (%) (B/A)* | 3.46% | 2.16% | 3.64% | -43.99% |
| Net asset value per share - (A/C) (Face value of Rs. 10 each) | 220.59 | 212.52 | 207.60 | 200.32 |
| Current ratio (E/F) | 2.59 | 2.45 | 2.64 | 2.46 |

*Not annualised for the nine month period ended December 31, 2022

1) The ratios have been computed as below:

(a) Basic earnings per share (Rs.): Net profit after tax, as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year

(b) Diluted earnings per share (Rs.): Net profit after tax, as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year

(c) Return on net worth (%): Net profit after tax, as restated / Net worth at the end of the period or year

(d) Net assets value per share (Rs.) -: Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year

(e) Net worth has been calculated as sum of Equity Share Capital and Eeserves and surplus (comprising of Securities Premium, Foreign Currency Translation Reserve and Surplus of Profit and Loss Account)

Note 1: The Company had issued 3,00,000 Equity Shares of Rs. 10 each on June 20, 2017, through a rights issue. Such Equity Shares were issued on partly-paidup basis and Rs. 12 per Equity Share (Rs. 1 towards face value and Rs. 11 towards securities premium) was paid on application and allotment. Hence while calculating the Number of equity share outstanding as on the end of year/period, weighted average number of equity shares outstanding during the year/period and Weighted average number of diluted equity shares outstanding during the year/period, such 3,00,00 Equity Shares have been considered proportionately.

Also, such Equity Shares were made fully paid on January 23, 2023 i.e. after the last balance sheet date of December 31, 2022. Hence adjustments were made to ratios presented above, adjusted ratio as as below:

| Particulars | As at / for the period/year ended | | | |
|--|-----------------------------------|-----------|-----------|------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Adjusted Net Worth (A) | 6,167.31 | 5,966.75 | 5,844.50 | 5,663.58 |
| Restated profit after tax (B) | 189.82 | 114.12 | 187.90 | (2,190.46) |
| Adjusted Number of equity share outstanding as on the end of year/period | 2,755,768 | 2,755,768 | 2,755,768 | 2,755,768 |
| Adjusted Weighted average number of equity shares outstanding during the year/period (D) | 2,755,768 | 2,755,768 | 2,755,768 | 2,755,768 |
| Adjusted Weighted average number of diluted equity shares outstanding during the year/period (E) | 2,755,768 | 2,755,768 | 2,755,768 | 2,755,768 |
| Adjusted Basic earning per share (INR) (B/D)* | 6.89 | 4.14 | 6.82 | (79.49) |
| Adjusted Diluted earning per share (INR) (B/E)* | 6.89 | 4.14 | 6.82 | (79.49) |
| Adjusted Return on net worth (%) (B/A)* | 3.08% | 1.91% | 3.22% | -38.68% |
| Adjusted Net asset value per share - (A/C) (Face value of Rs. 10 each) | 223.80 | 216.52 | 212.08 | 205.52 |

1) The ratios have been computed as below:

- (a) Basic earnings per share (Rs.): Net profit after tax, as restated for calculating basic EPS / Adjusted Weighted average number of equity shares outstanding at the end of the period or year
- (b) Diluted earnings per share (Rs.): Net profit after tax, as restated for calculating diluted EPS / Adjusted Weighted average number of equity shares outstanding at the end of the period or year
- (c) Return on net worth (%): Net profit after tax, as restated / Adjusted Net worth at the end of the period or year
- (d) Net assets value per share (Rs.) -: Adjusted Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year
- (e) Adjusted Net worth has been calculated as sum of Equity Share Capital and Eeserves and surplus (comprising of Securities Premium, Foreign Currency Translation Reserve and Surplus of Profit and Loss Account) and Rs. 228 per Equity Share (Rs. 9 towards face value and Rs. 219 towards securities premium) paid by the shareholders of 3,00,000 Equity Share post the last balance sheet date of December 31, 2022.

Note: While arriving the Adjusted ratios as above: Networth, Number of equity share outstanding as on the end of year/period, weighted average number of equity shares outstanding during the year/period and Weighted average number of diluted equity shares outstanding during the year/period has been adjusted such that as if the partly paid up equity shares were made fully paid-up equity shares at the beginning of the earliest period reported.

STATEMENT OF RELATED PARTY TRANSACTIONS

(Amount in Rs. Lakhs, unless mentioned otherwise)

1. Names of the related parties with whom transaction were carried out during the years and description of relationship:

| | | |
|----|---|---|
| a) | Name of related parties by whom control is exercised | Shree JMD Investment Advisors LLP |
| | | Proventus Securities Private Limited (Subsidiary company) |
| | | Proventus Retail Private Limited (Subsidiary company) |
| | | Proventus Commodities DMCC(Subsidiary company) |
| | | Prov Nova Bio Technologies Private Limited |
| | | Prov Foods Private Limited (Subsidiary company) |
| b) | Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise: | 1. D. P. Jhavar |
| | | 2. Shalin Khanna |
| | | 3. Deepak Agrawal |
| c) | Name of relatives of Directors and related parties: | 1. D S Enterprises |
| | | 2. Binod Agrawal |
| | | 3. Anupama Khanna |
| d) | Relative of Key Management Personnels/Director/Partners: | 1. Purshottam Bhutra |
| | | 2. Dilip Toshniwal |
| | | 3. Chetana Toshniwal |
| | | 4. Lalita Bhootra |
| | | 5. Nilesh Toshniwal |
| | | 6. Rakhi Toshniwal |
| | | 7. Pinky Maheshwari |

2. Transaction with Key Management Personnel/Directors

| Sr. No. | Nature of Transaction | As at 31-Dec-22 | As at | | |
|---------|-----------------------|-----------------|-----------|-----------|-----------|
| | | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| 1 | Remuneration | | | | |
| | D. P. Jhavar | 55.04 | 65.66 | 59.51 | 81.64 |
| | Shalin Khanna | 48.36 | 42.89 | 39.91 | 51.82 |
| | Deepak Agrawal | 50.01 | 45.87 | 42.28 | 55.99 |
| 2 | Loans Repaid | | | | |
| | D. P. Jhavar | 260.00 | 190.50 | 15.00 | 34.00 |
| 3 | Loans Taken | | | | |
| | D. P. Jhavar | - | 213.00 | - | 273.00 |
| | Chetana Toshniwal | - | - | 1.25 | - |
| | Lalita Bhootra | - | - | 2.50 | - |
| | Nilesh Toshniwal | - | - | 4.85 | - |
| | Pinky Maheshwari | - | - | 3.63 | - |
| 4 | Interest Paid | | | | |
| | Chetna Toshniwal | 0.10 | - | - | - |
| | Lalita Bhootra | 0.21 | - | - | - |
| | Nilesh Toshniwal | 0.40 | - | - | - |
| | Pinky Maheshwari | 0.30 | - | - | - |
| 5 | Sales | | | | |
| | D S Enterprises | 761.41 | 1,133.38 | 1,293.05 | 845.52 |
| | Binod Agrawal | 4.44 | 13.75 | 14.17 | 0.60 |
| | Anupama Khanna | 5.40 | 9.67 | 7.79 | 0.02 |
| 6 | Purchases | | | | |
| | D S Enterprises | 0.19 | 7.15 | 12.54 | 4.29 |

| | | | | | |
|----|---|-----------|----------|----------|---|
| 7 | Commission Paid | | | | |
| | D S Enterprises | 2.04 | 1.20 | - | - |
| | Binod Agrawal | - | 0.27 | - | - |
| 8 | Salary Paid | | | | |
| | Pinky Maheshwari | 4.50 | 1.50 | - | - |
| | Rakhi Toshniwal | 4.20 | 1.50 | - | - |
| | Nilesh Toshniwal | 0.30 | - | - | - |
| 9 | Rent # | | | | |
| | Prov Foods Private Limited | 10.50 | 21.00 | 17.50 | - |
| 10 | Reimbursement of Expenses # | | | | |
| | Prov Foods Private Limited | 2.46 | 11.47 | 4.98 | - |
| 11 | Sales # | | | | |
| | Proventus Retail Private Limited | 74.61 | 1,041.56 | 4,909.18 | - |
| | Prov Foods Private Limited | 12,585.06 | 13251.60 | 1,713.88 | - |
| | Prov Nova Bio Technologies Private Limited | 31.24 | 32.99 | 5.05 | - |
| 12 | Purchases # | | | | |
| | Proventus Retail Private Limited | 5.86 | 474.83 | 87.13 | - |
| | Prov Foods Private Limited | 453.20 | 499.87 | 13.23 | - |
| 13 | Business and Administrative Support Service Income # | | | | |
| | Prov Foods Private Limited # | 135.00 | - | - | - |

Note- # these transaction / balances are eliminated on consolidation.

3. Balances Outstanding at the end of the Year

| Sr. No. | Particulars | As at 31-Dec-22 | As at | | |
|---------|--------------------------------------|-----------------|-----------|-----------|-----------|
| | | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| 1 | D. P. Jhawar | | | | |
| | Loan from Director | 490.97 | 750.97 | 728.47 | 743.47 |
| | Other Payable | - | - | 0.02 | 0.02 |
| | Remuneration Payable | - | - | 1.35 | - |
| 2 | Chetana Toshniwal | | | | |
| | Loan from Director | - | 1.25 | 1.25 | - |
| | Interest Payable | 0.10 | - | - | - |
| 3 | Lalita Bhootra | | | | |
| | Loan from Director | - | 2.50 | 2.50 | - |
| | Interest Payable | 0.21 | - | - | - |
| 4 | Nilesh Toshniwal | | | | |
| | Loan from Director | - | 4.85 | 4.85 | - |
| | Interest Payable | 0.40 | - | - | - |
| | Salary Payable | 0.30 | - | - | - |
| 5 | Pinky Maheshwari | | | | |
| | Loan from Director | - | 3.63 | 3.63 | - |
| | Other Payable | - | 1.50 | - | - |
| | Interest Payable | 0.30 | - | - | - |
| | Salary payable | 0.50 | - | - | - |
| 6 | Deepak Agarwal | | | | |
| | Other Payable | - | 0.38 | 0.03 | 0.03 |
| | Remuneration/ Salary Payable | 2.98 | - | 1.35 | - |
| | Advance against Expenses to Director | 0.44 | - | - | - |
| 7 | Shalin Khanna | | | | |

| | | | | | |
|----|--|--------|--------|--------|--------|
| | Remuneration Payable | - | - | 1.35 | - |
| | Other Payable | 0.09 | - | - | - |
| 8 | D S Enterprises | | | | |
| | Trade Payable | - | - | 1.29 | - |
| | Trade Receivable | 84.93 | 22.96 | 31.56 | - |
| 9 | Anupama Khanna | | | | |
| | Trade Receivable | 0.39 | - | 0.18 | - |
| 10 | Rakhi Toshniwal | | | | |
| | Other Payable | - | 1.50 | - | - |
| | Salary Payable | 0.20 | - | - | - |
| 11 | Binod Agrawal | | | | |
| | Trade Receivable | 0.42 | 0.01 | - | - |
| 12 | Prov Foods Private Limited # | | | | |
| | Receivable | 851.97 | 297.33 | 142.70 | 200.84 |
| | Investment in equity shares | 301.08 | 301.08 | 301.08 | 1.00 |
| 13 | Proventus Retail Private Limited # | | | | |
| | Investment in equity shares | 1.00 | 1.00 | 1.00 | 1.00 |
| | Trade Receivable | 46.73 | - | 647.17 | 207.15 |
| 14 | Proventus Commodities DMCC # | | | | |
| | Investment in equity shares | 423.54 | 423.54 | 423.54 | 423.54 |
| 15 | Prov Nova Bio Technologies Private Limited # | | | | |
| | Trade Receivable | 2.19 | 1.06 | 5.06 | - |
| | Investment in equity shares | 0.51 | - | - | - |

Note- # these transaction / balances are eliminated on consolidation.

STATEMENT OF CAPITALIZATION

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | Pre Issue | Post Issue |
|--|-----------------|------------------|
| | 31-Dec-22 | |
| Debt | | |
| Short Term Debt | 2,201.16 | 2,201.16 |
| Long Term Debt | 859.97 | 859.97 |
| Total Debt | 3,061.14 | 3,061.14 |
| Shareholders' Fund (Equity) | | |
| Share Capital | 248.58 | 342.76 |
| Reserves & Surplus | 5,234.74 | 11,004.54 |
| Less: Miscellaneous Expenses not w/off | - | - |
| Total Shareholders' Fund (Equity) | 5,483.31 | 11,347.30 |
| Long Term Debt/Equity | 0.16 | 0.08 |
| Total Debt/Equity | 0.56 | 0.27 |

Notes:

1. Short term debts represent the debts which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term debts represent debts other than Short term debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities
3. The figures disclosed above are based on restated statement of assets and liabilities of the Company as at December 31, 2022.

STATEMENT OF CONTINGENT LIABILITIES & COMMITMENTS

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | AS AT | | | |
|---|-----------|-----------|-----------|-----------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Estimated Amount of contracts remaining to be executed on capital account | - | - | - | - |
| Income Tax Demand | 0.02 | 0.02 | 0.02 | 0.02 |
| TDS Demand | 0.12 | 0.00 | 0.00 | - |
| Guarantees provided by bank | - | - | - | - |
| Contingencies: | - | - | - | - |

SEGMENT REPORTING

(i) Business Segment

Based on the guiding principles given in Accounting Standard 17 (AS - 17) on Segment Reporting issued by ICAI, the Company has only one reportable Business Segment. The company is an integrated dry fruits conglomerate carrying out business in a variety of dry fruits across the commodity value chain. The primary approach at Proventus is to create expertise in a commodity class and build the revenue stream by moving across the value chain from origination to distribution. The fundamental cornerstone of the Company's approach is to capture the demand and supply stream by developing a strong base of sourcing and distribution.

(ii) Geographical Segment

The Company activities / operations are confined in India and as such there is only one geographical segment. Accordingly, the figures appearing in these financial statements relate to the Company's single geographical segment.

CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximizes A4shareholder value. The company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders or issue new shares. The company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the period ended December 31, 2022 and year ended March 31, 2022, March 31, 2021 and March 31, 2020. The company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity shareholders.

The Company's adjusted net debt to equity ratio is as follows.

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | For the period /year ended | | | |
|---|----------------------------|-------------|-------------|-------------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Borrowings | 3,061.14 | 3,444.05 | 2,940.72 | 1,728.55 |
| Less: cash and cash equivalents | 415.73 | 1,434.29 | 1,299.50 | 221.84 |
| Adjusted net debt | 2,645.41 | 2,009.75 | 1,641.22 | 1,506.70 |
| Total Equity | 5,483.31 | 5,282.75 | 5,160.50 | 4,979.58 |
| Adjusted net debt to adjusted equity ratio | 0.48 | 0.38 | 0.32 | 0.30 |

EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements except for the fact that on January 23, 2023, 3 Lakhs Equity Shares were made fully paid. This event occurred after the last balance sheet date of December 31, 2022. Additionally, there was an adjustment made to the earning per share, which is detailed in note no. 32 of the notes of accounts.

STATEMENT OF UNHEDGED FOREIGN CURRENCY EXPOSURE

Following is the foreign currency exposure at the end of respective years, the same has not been hedged by the company –
(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | For the period / year ended | | | |
|--|-----------------------------|-----------|-----------|-----------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Amount Receivable in Foreign Currency | | | | |
| Export Debtors | - | - | - | - |
| Advance to Supplier | 121.87 | - | 46.86 | - |
| Total | 121.87 | - | 46.86 | - |
| Amount Payable in Foreign Currency | | | | |
| Import Creditors | 115.80 | 558.59 | - | 23.90 |
| Advance from Customers | - | - | - | - |
| Total | 115.80 | 558.59 | - | 23.90 |

STATEMENT OF TRANSACTIONS IN FOREIGN CURRENCY

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | For the period /year ended | | | |
|--|----------------------------|-----------|-----------|-----------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Expenditures incurred in Foreign Currency | | | | |
| Import Purchases | 13,491.15 | 13,516.37 | 9,810.73 | 23,998.53 |
| Ocean Freight | 146.21 | 60.67 | 1.00 | 115.30 |
| Membership Fees | - | - | - | 3.79 |
| Foreign Travelling Expenses | 0.47 | 0.78 | - | 8.53 |
| Business Promotion Expenses | 5.38 | - | - | - |
| Income in Foreign Currency | | | | |
| Sales | - | - | - | - |

COVID 19 NOTE

The World Health Organization announced a global health emergency because of a new strain of coronavirus (“COVID-19”) and classified its outbreak as a pandemic on 11 March 2020. On 24 March 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the period ended 31 December 2022 and has concluded that there is no impact which is required to be recognized in the financial statements. Accordingly, no adjustments are required to be made to the financial statements.

STATEMENT ON EMPLOYEE BENEFITS**I. Defined contribution plans**

The Company has classified the various benefits provided to employees as under:

- a. Employers Contribution to Employee Provident Fund

The expense recognised during the period towards defined contribution plan –

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | For the period /year ended | | | |
|---|----------------------------|-----------|-----------|-----------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Employers Contribution to Employee Provident Fund | 0.50 | 0.56 | 0.59 | 0.72 |

II. Defined benefit plans**Gratuity**

The Company should provide for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a payment ceiling of INR 20,00,000/-.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

| | Defined benefit plans | For the period /year ended | | | |
|------------|---|----------------------------|---------------------|---------------------|--------------|
| | | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| | Gratuity Unfunded) | Gratuity (Unfunded) | Gratuity (Unfunded) | Gratuity (Unfunded) | |
| I | Funded status of the plan | | | | |
| | Present value of unfunded obligations | 50.71 | 37.99 | 30.94 | 31.10 |
| | Present value of funded obligations | - | - | - | - |
| | Fair value of plan assets | - | - | - | - |
| | Unrecognised Past Service Cost | - | - | - | - |
| II | Expenses recognised in statement of profit and loss during the year: | | | | |
| | Current service cost | 5.49 | 7.64 | 9.56 | 5.19 |
| | Interest on obligation | 1.98 | 2.05 | 2.13 | 0.96 |
| | Net actuarial loss/ (gain) | 5.25 | (2.64) | (11.85) | 12.60 |
| | Loss (gain) on curtailments | - | - | - | - |
| | Total expenses charged to profit and loss account | 12.72 | 7.05 | (0.16) | 18.74 |
| | Loss/(gain) on obligation as per Annexure III | 5.25 | (2.64) | (11.85) | 12.60 |
| | Net actuarial loss/(gain) | 5.25 | (2.64) | (11.85) | 12.60 |
| III | Reconciliation of defined benefit obligation | | | | |
| | Opening defined benefit obligation | 37.99 | 30.94 | 31.10 | 12.36 |
| | Current service cost | 5.49 | 7.64 | 9.56 | 5.19 |
| | Interest cost | 1.98 | 2.05 | 2.13 | 0.96 |
| | Actuarial (gains) / loss | 5.25 | (2.64) | (11.85) | 12.60 |
| | Benefits paid | | | | |
| | Present value of defined benefit obligation at the end of the year | 50.71 | 37.99 | 30.94 | 31.10 |
| IV | Reconciliation of net defined benefit liability | | | | |
| | Net opening provision in books of accounts | 37.99 | 30.94 | 31.10 | 12.36 |
| | Transfer in/(out) obligation | - | - | - | - |
| | Employee Benefit Expense as per Annexure II | 12.72 | 7.05 | (0.16) | 18.74 |
| | Closing provision in books of accounts | 50.71 | 37.99 | 30.94 | 31.10 |
| | Classification | | | | |
| | Current liability | 4.76 | 3.13 | 1.70 | 0.08 |
| | Non-current liability | 45.95 | 34.86 | 29.24 | 31.02 |
| | Net Liability | 50.71 | 37.99 | 30.94 | 31.10 |
| V | Table of experience adjustments | | | | |
| | Defined benefit obligation | 50.71 | 37.99 | 30.94 | 31.10 |
| | Plan assets | - | - | - | - |
| | Surplus/(Deficit) | (50.71) | (37.99) | (30.94) | (31.10) |
| | Experience adjustments on plan liabilities | 6.91 | (1.02) | (12.00) | 10.02 |

| | | | | | |
|-----------|--|--|--|--|--|
| | Actuarial loss/(gain) due to change in financial assumptions | (1.66) | (1.62) | 0.15 | 2.63 |
| | Actuarial loss/ (gain) due to change in demographic assumption | - | - | - | (0.05) |
| | Experience adjustments on plan assets | - | - | - | - |
| | Net actuarial loss/ (gain) for the year | 5.25 | (2.64) | (11.85) | 12.60 |
| VI | Actuarial assumptions: | | | | |
| | | For the period /year ended | | | |
| | | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| | Expected return on plan assets | NA | NA | NA | NA |
| | Discount rate | 7.55% | 7.25% | 6.80% | 6.85% |
| | Expected rate of salary increase | 8.00% | 8.00% | 8.00% | 8.00% |
| | Withdrawal rates | 10.00% p.a at younger ages reducing to 1.00% p.a at older ages | 10.00% p.a at younger ages reducing to 1.00% p.a at older ages | 10.00% p.a at younger ages reducing to 1.00% p.a at older ages | 10.00% p.a at younger ages reducing to 1.00% p.a at older ages |
| | Retirement age | 60 | 60 | 60 | 60 |

Notes:-

| | |
|----|--|
| a. | The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds. |
| b. | The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. |

STATEMENT ON FINANCIAL RISK MANAGEMENT

The company has in place comprehensive risk management policy in order to identify measure, monitor and mitigate various risks pertaining to its business. Along with the risk management policy, an adequate internal control system, commensurate to the size and complexity of its business, is maintained to align with the philosophy of the company. Together they help in achieving the business goals and objectives consistent with the company's strategies to prevent inconsistencies and gaps between its policies and practices. The Board of Directors/ committees reviews the adequacy and effectiveness of the risk management policy and internal control system. The company's financial risk management is an integral part of how to plan and execute its business strategies.

The company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

A. Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

i. Trade and Other Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business.

Summary of the company's exposure to credit risk by age of the outstanding from various customers is as follows:

Trade Receivable

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | For the period /year ended | | | |
|------------------------------------|----------------------------|-----------------|-----------------|-----------------|
| | 31-Dec-2022 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Unsecured | | | | |
| -Considered good | 3,257.30 | 1,952.68 | 1,921.49 | 1,689.69 |
| -Considered doubtful | - | - | - | - |
| Gross Trade Receivables | 3,257.30 | 1,952.68 | 1,921.49 | 1,689.69 |
| Less: Provision for Doubtful debts | - | - | - | - |
| Net Trade Receivables | 3,257.30 | 1,952.68 | 1,921.49 | 1,689.69 |

ii. Cash and Bank Balances

The company held cash and cash equivalent and other bank balance of INR 415.73 lakhs at December 31, 2022 (March 31, 2022: INR 1,432.24 lakhs, March 31, 2021: INR 1,299.50 lakhs and March 31, 2020: INR 221.84 lakhs). The same are held with bank and financial institution counterparties with good credit rating. Also, company invests its short term surplus funds in bank fixed deposit which carry no market risks for short duration, therefore does not expose the company to credit risk.

B. Market risk

Market risk is the risk that changes in market prices – such as interest rates and equity prices – will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The company's exposure to, and management of, these risks is explained below.

i. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | For the period/ yearended | | | |
|--------------------------|---------------------------|-----------|-----------|-----------|
| | 31-Dec-2022 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Variable rate borrowings | 2,570.16 | 2,680.85 | 2,200.02 | 985.07 |
| Fixed rate borrowings | 490.97 | 763.20 | 740.70 | 743.47 |

Sensitivity:

A change of 100 basis points in interest rates would have following impact on profit after tax and equity –

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | For the period /year ended |
|-------------|----------------------------|
|-------------|----------------------------|

| | 31-Dec-2022 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
|---|-------------|-----------|-----------|-----------|
| Interest rates – increase by 100 basis points * | 20.26 | 21.13 | 17.34 | 7.77 |
| Interest rates – decrease by 100 basis points * | (20.26) | (21.13) | (17.34) | (7.77) |

- * Holding all other variables constant
ii. Foreign Currency Risk

Foreign currency risk is the risk that the value of a receivable/payable in foreign currency will fluctuate due to changes in foreign exchange rates. The company is engaged in export/import of its products and hence the company is materially exposed to Foreign Currency Risk, details of the same is as follows:

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | For the period/ year ended | | | |
|--|----------------------------|-----------|-----------|-----------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Amount Receivable in Foreign Currency | | | | |
| Export Debtors | | - | - | - |
| Advance to Supplier | 121.87 | - | 46.86 | - |
| Total | 121.87 | - | 46.86 | - |

| | | | | |
|---|--------|----------|-------|---------|
| Amount Payable in Foreign Currency | | | | |
| Import Creditors | 115.80 | 558.59 | - | 23.90 |
| Advance from Customers | - | - | - | - |
| Total | 115.80 | 558.59 | - | 23.90 |
| Net Exposure | 6.07 | (558.59) | 46.86 | (23.90) |

Sensitivity:

A change of 100 basis points in interest rates would have following impact on profit after tax and equity –

(Amount in Rs. Lakhs, unless mentioned otherwise)

| Particulars | For the period/year ended | | | |
|---|---------------------------|-----------|-----------|-----------|
| | 31-Dec-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Price of USD – increase by 100 basis points * | 0.05 | (4.40) | 0.37 | (0.19) |
| Price of USD – decrease by 100 basis points * | (0.05) | 4.40 | (0.37) | 0.19 |

- * Holding all other variables constant

STATEMENT OF ACCOUNTING RATIOS

| Particulars | Numerator | Denominator | 31st December 22 | 31st March 22 | % change from March 31, 2022 to December 31, 2022 | Reason for Major Deviation |
|--------------------------------------|----------------------|------------------------------------|------------------|---------------|--|----------------------------|
| a) Current Ratio | Current assets | Current liabilities | 2.59 | 2.45 | Figures are not annualised therefore we are unable to determine the reasons for such deviations. | |
| (b) Debt-Equity Ratio | Total debt | Shareholder's equity | 0.56 | 0.65 | | |
| (c) Debt Service Coverage Ratio | EBIDTA | Interest + Repayment of borrowings | 2.22 | 2.12 | | |
| (d) Return on Equity Ratio | Profit after tax | Average Shareholder's equity | 0.04 | 0.02 | | |
| (e) Inventory turnover ratio | Cost of goods sold | Average inventory | 9.07 | 12.26 | | |
| (f) Trade Receivables turnover ratio | Net credit sales | Average trade receivables | 12.21 | 20.82 | | |
| (g) Trade payables turnover ratio | Net credit purchases | Average trade payable | 9.10 | 22.80 | | |
| (h) Net capital turnover ratio | Net sales | Average working capital | 5.89 | 7.86 | | |
| (i) Net profit ratio | Profit after tax | Net sales | 0.01 | 0.00 | | |
| (j) Return on Capital employed | EBIT | Capital Employed | 0.05 | 0.04 | | |

| Particulars | Numerator | Denominator | 31st March 2022 | 31st March 2021 | % change from March 31, 2021 to March 31, 2022 | Reason for Major Deviation |
|--------------------------------------|----------------------|------------------------------------|-----------------|-----------------|--|--|
| a) Current Ratio | Current assets | Current liabilities | 2.45 | 2.64 | -7.27% | NA |
| (b) Debt-Equity Ratio | Total debt | Shareholder's equity | 0.65 | 0.57 | 14.41% | NA |
| (c) Debt Service Coverage Ratio | EBIDTA | Interest + Repayment of borrowings | 2.12 | 1.20 | 76.82% | Due to increase in finance cost and borrowings, there is incline in the ratio. |
| (d) Return on Equity Ratio | Profit after tax | Average Shareholder's equity | 0.02 | 0.04 | -41.03% | Due to decrease in profit after tax, there is decline in the ratio. |
| (e) Inventory turnover ratio | Cost of goods sold | Average inventory | 12.26 | 13.00 | -5.70% | NA |
| (f) Trade Receivables turnover ratio | Net credit sales | Average trade receivables | 20.82 | 16.66 | 24.93% | NA |
| (g) Trade payables turnover ratio | Net credit purchases | Average trade payable | 22.80 | 32.15 | -29.08% | Due to increase in trade payables, there is decline in the ratio. |
| (h) Net capital turnover ratio | Net sales | Average working capital | 7.86 | 6.31 | 24.57% | NA |
| (i) Net profit ratio | Profit after tax | Net sales | 0.00 | 0.01 | -54.68% | Due to increase in sales and |

| | | | | | | |
|--------------------------------|------|------------------|------|------|-------|--|
| | | | | | | decrease in net profit, there is decline in the ratio. |
| (j) Return on Capital employed | EBIT | Capital Employed | 0.04 | 0.04 | 4.35% | NA |

| Particulars | Numerator | Denominator | 31st March 2021 | 31st March 2020 | % change from March 31, 2020 to March 31, 2021 | Reason for Major Deviation |
|--------------------------------------|----------------------|------------------------------------|-----------------|-----------------|--|---|
| a) Current Ratio | Current assets | Current liabilities | 2.64 | 2.46 | 7.45% | NA |
| (b) Debt-Equity Ratio | Total debt | Shareholder's equity | 0.57 | 0.35 | 64.16% | Due to increase in borrowings, there is incline in the ratio. |
| (c) Debt Service Coverage Ratio | EBIDTA | Interest + Repayment of borrowings | 1.20 | (1.51) | -179.59% | Due to increase in profit and reduction in borrowings, there is incline in the ratio. |
| (d) Return on Equity Ratio | Profit after tax | Average Shareholder's equity | 0.04 | (0.36) | -110.26% | Due to increase in profit, there is incline in the ratio. |
| (e) Inventory turnover ratio | Cost of goods sold | Average inventory | 13.00 | 8.45 | 53.96% | Due to decrease in average of inventory, there is incline in the ratio. |
| (f) Trade Receivables turnover ratio | Net credit sales | Average trade receivables | 16.66 | 64.54 | -74.18% | Due to decrease in sales, there is decline in the ratio. |
| (g) Trade payables turnover ratio | Net credit purchases | Average trade payable | 32.15 | 100.62 | -68.05% | Due to decrease in purchases of stock, there is decline in the ratio. |
| (h) Net capital turnover ratio | Net sales | Average working capital | 6.31 | 14.72 | -57.17% | Due to decrease in sales as compared to previous year, there is decline in the ratio. |
| (i) Net profit ratio | Profit after tax | Net sales | 0.01 | (0.02) | -125.55% | Due to increase in profit after tax, there is incline in the ratio. |
| (j) Return on Capital employed | EBIT | Capital Employed | 0.04 | (0.26) | -115.69% | Due to increase in profit before tax, there is incline in the ratio. |

STATEMENT OF OTHER RELEVANT DISCLOSURES

Additional regulatory information required by Schedule III of Companies Act, 2013:

A1. For December 2022

| Name of the entity in | Net Assets i.e., total assets minus total liabilities | | Share in profit or loss | |
|---|--|-----------------|---|---------------|
| | As % of Consolidated net assets | Amount | As % of Consolidated profit or loss | Amount |
| 1 | 2 | 3 | 4 | 5 |
| Parent | | | | |
| Proventus Agrocom Private Limited | 99.36% | 5,448.23 | 52.70% | 95.65 |
| Subsidiaries Indian | | | | |
| Proventus Retail Private Limited | 0.47% | 25.51 | -14.34% | -26.03 |
| Prov Foods Private Limited | 8.92% | 489.08 | 55.17% | 100.13 |
| Prov Nova-Bio Technologies Private Limited | 0.32% | 17.63 | 9.34% | 16.95 |
| Foreign | | | | |
| Proventus DMCC | 4.28% | 234.64 | 1.71% | 3.11 |
| Minority interest in all subsidiaries Associates (Investment as per equity method) | | | | |
| Prov Nova-Bio Technologies Private Limited | -0.16% | -8.64 | -4.57% | -8.30 |
| Inter - Company Elimination & Consolidated Adjustment | | | | |
| | -13.19% | -723.14 | | - |
| Total | 100.00% | 5,483.31 | 100.00% | 181.51 |

A2. For March 2022

| Name of the entity in | Net Assets i.e., total assets minus total liabilities | | Share in profit or loss | |
|---|--|-----------------|---|---------------|
| | As % of Consolidated net assets | Amount | As % of Consolidated profit or loss | Amount |
| 1 | 2 | 3 | 4 | 5 |
| Parent | | | | |
| Proventus Agrocom Private Limited | 101.32% | 5,352.63 | 88.11% | 100.17 |
| Subsidiaries Indian | | | | |
| Proventus Retail Private Limited | 0.98% | 51.54 | 4.59% | 5.21 |
| Prov Foods Private Limited | 7.36% | 389.03 | 48.88% | 55.57 |
| Prov Nova-Bio Technologies Private Limited | 0.01% | 0.69 | 0.48% | 0.54 |
| Foreign | | | | |
| Proventus DMCC | 4.02% | 212.39 | -41.83% | -47.55 |
| Minority interest in all subsidiaries Associates (Investment as per equity method) | | | | |
| Prov Nova-Bio Technologies Private Limited | -0.01% | -0.33577 | -0.23% | -0.27 |
| Inter - Company Elimination & Consolidated Adjustment | | | | |
| | -13.69% | -723.14 | - | - |
| Total | 100.00% | 5,282.79 | 100.00% | 113.69 |

| A3. | | For March 2021 | |
|-----------------------|--|-------------------------|--|
| Name of the entity in | Net Assets i.e., total assets minus total liabilities | Share in profit or loss | |
| | | | |

| | As % of Consolidated net assets | Amount | As % of Consolidated profit or loss | Amount |
|---|---------------------------------|-----------------|-------------------------------------|---------------|
| 1 | 2 | 3 | 4 | 5 |
| Parent | | | | |
| Proventus Agrocom Private Limited | 99.43% | 5,252.46 | 98.50% | 111.98 |
| Subsidiaries Indian | | | | |
| Proventus Retail Private Limited | 0.88% | 46.32 | 37.33% | 42.44 |
| Prov Foods Private Limited | 6.31% | 333.45 | 28.64% | 32.56 |
| Prov Nova-Bio Technologies Private Limited | 0.00% | 0.14 | -0.75% | -0.86 |
| Foreign | | | | |
| Proventus DMCC | 4.76% | 251.55 | 1.68% | 1.91 |
| Minority interest in all subsidiaries Associates (Investment as per equity method) | | | | |
| Prov Nova-Bio Technologies Private Limited | 0.00% | -0.07022 | 0.37% | 0.42 |
| Inter - Company Elimination & Consolidated Adjustment | -13.69% | -723.14 | - | - |
| Total | 100.00% | 5,160.72 | 100.00% | 188.46 |

A4.

For March 2020

| Name of the entity in | Net Assets i.e., total assets minus total liabilities | | Share in profit or loss | |
|--|---|-----------------|-------------------------------------|-------------------|
| | As % of Consolidated net assets | Amount | As % of Consolidated profit or loss | Amount |
| 1 | 2 | 3 | 4 | 5 |
| Parent | | | | |
| Proventus Agrocom Private Limited | 103.23% | 5,140.47 | 100.01% | -2,190.51 |
| Subsidiaries Indian | | | | |
| Proventus Retail Private Limited | 0.08% | 3.89 | -0.82% | 18.01 |
| Prov Foods Private Limited | 0.02% | 0.81 | 0.01% | -0.19 |
| Proventus Securities Private Limited | 0.00% | - | 0.00% | 0.03 |
| Foreign | | | | |
| Proventus DMCC | 5.16% | 257.04 | 0.85% | -18.72 |
| Inter - Company Elimination & Consolidated Adjustment | -8.49% | -422.55 | -0.05% | 1.00 |
| Total | 100.00% | 4,979.67 | 100.00% | (2,190.37) |

- B. Balance of Debtors & Creditors & Loans & advances Taken & giving are subject to confirmation and subject to consequential adjustments, if any. Debtors & creditors balance has been shown separately and the advances received and paid from/to the parties is shown as advance from customer and advance to suppliers.
- C. The Company has no transactions, which are not recorded in the books of accounts and which are surrendered or disclosed as income during the year in the tax assessment or in search or survey or under any other relevant provision of the Income Tax Act, 1961.
- D. The Company has not traded or invested in crypto currency or virtual currency during the period ended December 31, 2022 and year ended March 31, 2022, March 31, 2021 and March 31, 2020.
- E. The Company do not had any transaction during the period ended December 31, 2022 and year ended March 31, 2022, March 31, 2021 and March 31, 2020 with the companies which are struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- F. The company has not been declared as willful defaulter by any bank or from any other lender during the period ended December 31, 2022 and year ended March 31, 2022, March 31, 2021 and March 31, 2020.

- G. The company has registered all the charges which are required to be registered under the terms of the loan and liabilities and submitted Documents with ROC within the period as required by Companies Act, 2013.
- H. As per the information & detail available on records and the disclosure given by the management, the company has complied with the number of layers prescribed under clause (87) of section 2 of the companies act read with the Companies (Restriction on number of layers) Rules 2017.
- I. As per the Information & details available on records and the disclosure given by the management, the company has not advanced, loaned or invested to any other person or entity or foreign entities with the understanding that the intermediary shall directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company or provided any guarantee, security or like to or on behalf of the company. Further the company has not received any funds from any person, entity including the foreign entity with the understanding that the company shall directly or indirectly lend, invest or guarantee, security or like manner on behalf of the funding party.
- J. Compliance with approved scheme(s) of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- K. The said provisions of Corporate Social Responsibility under section 135 of Companies Act, 2013 are not applicable to the company.

OTHER FINANCIAL INFORMATION

Accounting ratios

The accounting ratios derived from Restated Consolidated Financial Statements required to be disclosed under the SEBI ICDR Regulations are set forth below:

(₹ in lakhs unless otherwise stated)

| Particulars | For the nine months period ended December 31, 2022 * | For the financial year ended March 31 | | |
|--|--|---------------------------------------|-----------|------------|
| | | 2022 | 2021 | 2020 |
| Net Worth (A) | 5,483.31 | 5,282.75 | 5,160.50 | 4,979.58 |
| Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) | 400.33 | 349.91 | 310.51 | (2,167.47) |
| Restated profit after tax (B) | 189.82 | 114.12 | 187.90 | (2,190.46) |
| Number of equity share outstanding as on the end of year/period - Refer Note 1 | 2,485,768 | 2,485,768 | 2,485,768 | 2,485,768 |
| Weighted average number of equity shares outstanding during the year/period (D) - Refer Note 1 | 2,485,768 | 2,485,768 | 2,485,768 | 2,485,768 |
| Weighted average number of diluted equity shares outstanding during the year/period (E) - Refer Note 1 | 2,485,768 | 2,485,768 | 2,485,768 | 2,485,768 |
| Basic earning per share (INR) (B/D)* (in ₹) | 7.64 | 4.59 | 7.56 | (88.12) |
| Diluted earning per share (INR) (B/E)* (in ₹) | 7.64 | 4.59 | 7.56 | (88.12) |
| Return on net worth (%) (B/A)* | 3.46% | 2.16% | 3.64% | -43.99% |
| Net asset value per share - (A/C) (Face value of ₹ 10 each) (in ₹) | 220.59 | 212.52 | 207.60 | 200.32 |

*Not annualised for the nine month period ended December 31, 2022

1) The ratios have been computed as below:

(a) Basic earnings per share (₹): Net profit after tax, as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year

(b) Diluted earnings per share (₹): Net profit after tax, as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year

(c) Return on net worth (%): Net profit after tax, as restated / Net worth at the end of the period or year

(d) Net assets value per share (₹) -: Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year

(e) Net worth has been calculated as sum of Equity Share Capital and Eeserves and surplus (comprising of Securities Premium, Foreign Currency Translation Reserve and Surplus of Profit and Loss Account)

Note 1: The Company had issued 3,00,000 Equity Shares of ₹ 10 each on June 20, 2017, through a rights issue. Such Equity Shares were issued on partly-paid up basis and ₹ 12 per Equity Share (₹ 1 towards face value and ₹ 11 towards securities premium) was paid on application and allotment. Hence while calculating the Number of equity share outstanding as on the end of year/period, weighted average number of equity shares outstanding during the year/period and Weighted average number of diluted equity shares outstanding during the year/period, such 3,00,00 Equity Shares have been considered proportionately.

Also, such Equity Shares were made fully paid on January 23, 2023 i.e. after the last balance sheet date of December 31, 2022. Hence adjustments were made to ratios presented above, adjusted ratio as below:

(₹ in lakhs unless otherwise stated)

| Particulars | For the nine months period ended December 31, 2022 * | For the financial year ended March 31 | | |
|-------------------------------|--|---------------------------------------|----------|------------|
| | | 2022 | 2021 | 2020 |
| Adjusted Net Worth (A) | 6,167.31 | 5,966.75 | 5,844.50 | 5,663.58 |
| Restated profit after tax (B) | 189.82 | 114.12 | 187.90 | (2,190.46) |

| | | | | |
|--|-----------|-----------|-----------|-----------|
| Adjusted Number of equity share outstanding as on the end of year/period | 2,755,768 | 2,755,768 | 2,755,768 | 2,755,768 |
| Adjusted Weighted average number of equity shares outstanding during the year/period (D) | 2,755,768 | 2,755,768 | 2,755,768 | 2,755,768 |
| Adjusted Weighted average number of diluted equity shares outstanding during the year/period (E) | 2,755,768 | 2,755,768 | 2,755,768 | 2,755,768 |
| Adjusted Basic earning per share (INR) (B/D)* (in ₹) | 6.89 | 4.14 | 6.82 | (79.49) |
| Adjusted Diluted earning per share (INR) (B/E)* (in ₹) | 6.89 | 4.14 | 6.82 | (79.49) |
| Adjusted Return on net worth (%) (B/A)* | 3.08% | 1.91% | 3.22% | -38.68% |
| Adjusted Net asset value per share - (A/C) (Face value of ₹ 10 each) (in ₹) | 223.80 | 216.52 | 212.08 | 205.52 |

*Not annualised for the nine month period ended December 31, 2022

1) The ratios have been computed as below:

(a) Basic earnings per share (₹): Net profit after tax, as restated for calculating basic EPS / Adjusted Weighted average number of equity shares outstanding at the end of the period or year

(b) Diluted earnings per share (₹): Net profit after tax, as restated for calculating diluted EPS / Adjusted Weighted average number of equity shares outstanding at the end of the period or year

(c) Return on net worth (%): Net profit after tax, as restated / Adjusted Net worth at the end of the period or year

(d) Net assets value per share (₹) -: Adjusted Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year

(e) Adjusted Net worth has been calculated as sum of Equity Share Capital and Eeserves and surplus (comprising of Securities Premium, Foreign Currency Translation Reserve and Surplus of Profit and Loss Account) and ₹ 228 per Equity Share (₹ 9 towards face value and ₹ 219 towards securities premium) paid by the shareholders of 3,00,000 Equity Share post the last balance sheet date of December 31, 2022.

Note: While arriving the Adjusted ratios as above: Networkth, Number of equity share outstanding as on the end of year/period, weighted average number of equity shares outstanding during the year/period and Weighted average number of diluted equity shares outstanding during the year/period has been adjusted such that as if the partly paid up equity shares were made fully paid-up equity shares at the beginning of the earliest period reported.

Other details

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements for nine months period ended December 31, 2022 and the financial years ended March 31, 2022, 2021 and 2020 of our Company (the “**Audited Financial Statements**”) are available on our website at www.proventusagro.com.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the reports thereon, do not constitute, (i) a part of this Draft Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere.

The Audited Financial Statements and the reports thereon, should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. None of the entities specified above, nor any of their advisors, nor the Lead Manager or any of the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as of December 31, 2022, derived from our Restated Consolidated Financial Statements. This table should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Financial Information” and “Risk Factors” on pages 237, 163 and 25, respectively:

| Particulars | Pre-Offer 31-Dec-22 | Post Offer |
|--|------------------------|------------------|
| Debt | | |
| Short Term Debt | 2,201.16 | 2,201.16 |
| Long Term Debt | 859.97 | 859.97 |
| Total Debt | 3,061.14 | 3,061.14 |
| Shareholders’ Fund (Equity) | | |
| Equity Share Capital | 248.58 | 342.76 |
| Reserves and Surplus | 5,234.74 | 11,004.54 |
| Less: Miscellaneous Expenses not w/off | - | - |
| Total Shareholders' Fund (Equity) | 5,483.31 | 11,347.30 |
| Long Term Debt / Equity | 0.16 | 0.08 |
| Total Debt/Equity | 0.56 | 0.27 |

1. Short term debts represents the debts which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term debts represent debts other than Short term debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities
3. The figures disclosed above are based on restated statement of assets and liabilities of the Company as at December 31, 2022.

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

You should read the following discussion of our financial position and results of operations together with our Restated Consolidated Financial Statements which have been included in this Prospectus. The following discussion and analysis of our financial position and results of operations is based on our Restated Consolidated Financial Statements for the period ended December 31, 2022 and for financial years ended March 31, 2022, 2021 and 2020 including the related notes and reports, included in this Prospectus prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries.

Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial information. Our Financial Statements, as restated have been derived from our audited financial statements for the respective period and years. Accordingly, the degree to which our Restated Consolidated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS, Companies Act, SEBI Regulations and other relevant accounting practices in India. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" beginning on pages 25 and 16 respectively, and elsewhere in this Prospectus.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Proventus Agrocom Limited, our Company. Unless otherwise indicated, financial information included herein are based on our "Restated Consolidated Financial Statements" for the period ended December 31, 2022 and for the Financial Years 2022, 2021, and 2020 beginning on page 163 of this Prospectus.

BUSINESS OVERVIEW

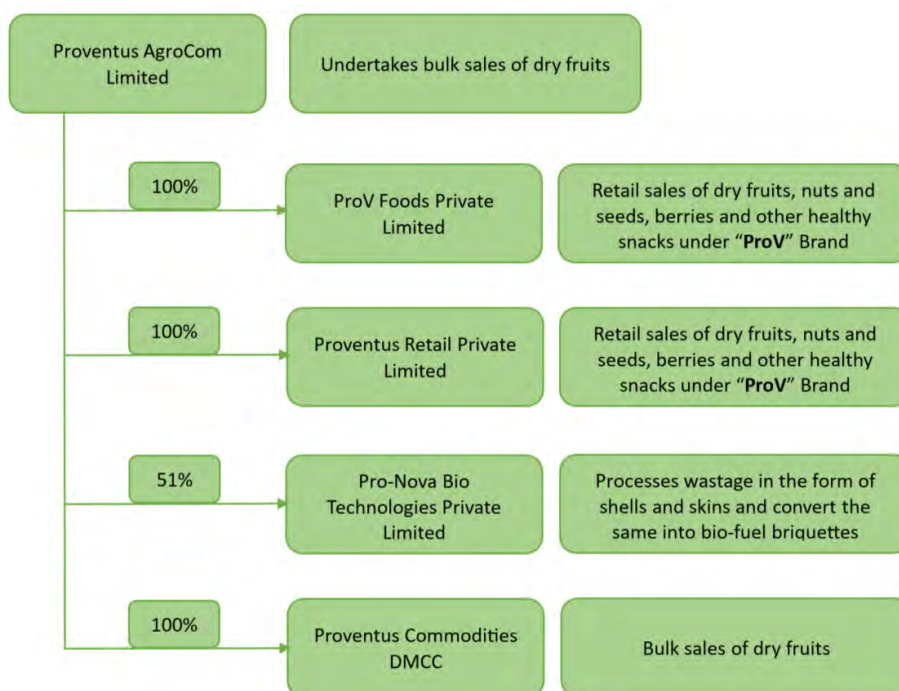
We are an integrated health food brand with our presence in entire range of dry fruits, nuts, seeds and berries and healthy snacking products across the value chain. Our approach in the space focuses on diversifying across the baskets and intensifying our presence across the value chain; in the end, being a 'one-stop shop' for our consumers. The motto of Proventus is to create expertise in healthy food products and build the revenue stream by moving across the value chain from origination to distribution and creating an integrated business model - from "farm to homes". The fundamental cornerstone of our approach is to capture the demand and supply stream by developing a stable base of sourcing and distribution.

There is a large vacuum in the "healthy snacking" space in India especially in the dry fruits, nuts, seeds and berries category. In the last few years, there has been a shift in consumer preference from unbranded / loose produce to branded products all the way down to Tier 2 city kirana stores also. As consumer preference gravitates towards better quality branded produce, they are looking for a trustworthy brand offering innovative products from natural to flavour augmented healthy snacks - this is where 'ProV' is positioned with its wide range of healthy snacks in the dry fruits, nuts, seeds and berries category. With its pan-India distribution and easy availability, ProV aims to be THE brand consumers think of whenever they want to buy nuts or dry fruits.

With growing consumer awareness, health and nutrition increasingly forming an inextricable attribute of new-age food culture, our snacking items as well as habits are gravitating towards healthy snacking in general. Also, post the Covid-19 pandemic, the world has evolved - be it business or lifestyle. And since this has not been restricted merely to urban areas and big cities but is also developing demand into rural pockets, healthy snacking has become a top priority. Indian households are likely to increase their spending on health-focused foods and beverages in the next few years, as consumers are increasingly shifting to healthier alternatives and buy foods with better ingredients. As health and hygiene increasingly becomes the deciding factor for consumers, they are now consciously avoiding open unpackaged dry fruits and unhealthy snack offerings. Instead, they are increasingly moving to packaged dry fruits and healthy snacks. In recent past, the Covid-19 pandemic scare and increased

focus on healthy lifestyle has particularly given a fillip to such packaged products, thereby increasing their demand.

Our business structure is as under:



Proventus Agrocom commenced its business operations in the agro produce segment by undertaking bulk trades to capture the demand and supply stream by developing a stable base of sourcing and distribution with efficient risk management practices. The motto of Proventus is to create expertise in healthy food products and build the revenue stream by moving across the value chain from origination to distribution and creating an integrated business model - from “farm to homes”. Today Proventus imports majority of the dry fruits, seeds, nuts and berries which are sold directly by Proventus Agrocom and also used by its Material Subsidiaries to meet part of their requirement for retail brand business under “ProV” and creating new products.

On the strength of stable capabilities in sourcing and procurement, the Company gradually expanded its operations in entire range of dry fruits, nuts, seeds and berries and healthy snacking products across the value chain and creating a business model that covers sourcing from farm / mandi to secondary processing, packing and sale with support of bulk sales and white labelling activities. With a presence in the APMC, Navi Mumbai (“Agricultural Produce Market Committee”) and broker network & indirect distributors in various states, Proventus Agrocom is able to sell bulk produce both processed and unprocessed across various products. The Company has also displayed its ProV brand products for retail sales at its shop in APMC, Navi Mumbai.

We have direct relationships with 45+ growers and / or suppliers across the globe including California, Chile and Afghanistan.

In 2017, we launched the brand “ProV” and today we have 100+ SKUs offering through our subsidiaries, ProV Foods and Proventus Retail, that include the premium quality of dry fruits including almonds, cashews, walnuts, raisins and pistachios, sourced from the orchards across India and abroad. We believe that each of the ProV product goes through stringent quality controls ensuring that our product reaches our customers with a promise of the best quality natural product. We aim to inspire healthier choices for nutritious living and sustained wellbeing by facilitating our customers with nature’s most nutritious snacks. With the strength of our promoter background and experience in the agro produce industry, efficient backend channels and distribution chain, ProV Foods, aims to target the growing lifestyle conscious buyers to expand its presence. ProV has a FSSC 22000 compliant processing plant admeasuring 3,025 sq. mtr situated at Gen 71/2, TTC Industrial Area, Mahape, Navi Mumbai. However, ProV Foods has taken a new premises on lease, admeasuring 1,800 sq. mtr at Plot No. A-793, TTC Industrial Area, Khairane, Navi Mumbai for shifting its processing plant from the present location. ProV Foods has received the notice of termination of the agreement on January 15, 2023 for vacating the said

premises. As agreed by the lessor vide e-mail dated January 17, 2023, the said premises has to be vacated within a period of four months from the date of such notice. The same has been further extended by three months agreeing to allow vacation of the premise by August 14, 2023. ProV Foods will plan shifting in a manner which will minimise the impact of closure of production facility supported with increased holding of stock of packaged products to meet any demand due to any shutdown of facility.

ProV offers something for every consumer in terms of price points, produce size or flavours. ProV has six brand segments, namely 'ProV Select' which is the economical at home daily consumption category, 'ProV Premium' which is the flagship high quality category, 'ProV Regal' which is the luxury jumbo sized produce category, 'ProV Flavours' which is augmented with flavours, 'ProV Fusion' which is a line of exquisite trail mixes, and the most recently launched 'ProV Minis' for pick-and-go needs and replacement to unhealthy junk snacks at a price point of just INR 30 each pack. The "ProV" brand is used by our subsidiaries ProV Foods and Proventus Retail for the consumer packs sold through retail channel.

Apart from our own website, ProV products can be found and ordered from all leading ecommerce websites like Flipkart, Amazon and Bigbasket and are also available in retail stores like Dmart, More Retail, Metro Cash & Carry, etc as well as in the neighbourhood kirana shops.

In the past three years, ProV has steadily gained popularity as a smart snacking choice for health-conscious consumers and resulting in a CAGR growth of revenue from operations of 47.99% during the financial year ended March 31, 2020 and March 31, 2022. During the nine months period ended December 31, 2022, ProV brand has an average sales of ₹ 1,689.75 lakhs per month. Founded by Durga Prasad Jhavar, Deepak Kumar Agrawal and Shalin Sanjiv Khanna, including Shree JMD Investment Advisors LLP, ProV's leadership team has more than 100+ years of cumulative experience in the end-to-end agri produce value chain. The brand is also backed by Chef Sanjeev Kapoor and KS Narayanan having experience in food and FMCG industry.

Our other subsidiary, Proventus Retail is also in the business of sale of healthy snacks under the ProV brand to selected customers in different business channels.

Proventus Commodities DMCC undertakes business in the bulk sales of dry fruits.

Pro-Nova Bio Technologies Private Limited is presently engaged in the business of processing of wastage in the forms of shells and skins and convert the same into bio-fuel briquettes. These bio-fuel briquettes sold by Pro-Nova Bio are used primarily for burning in boilers as green fuel. Our Company owns 51% stake in Pro-Nova Bio. ProV Foods has taken a new premises on lease situated at Plot No. A-793, TTC Industrial Area, Khairane, Navi Mumbai for shifting its processing plant from its present factory premises. Once ProV Foods shifts its factory premises, Pro-Nova Bio Technologies Private Limited will find a separate premises for its business operations and will obtain necessary approvals, accordingly. Till then the operations of Pro-Nova Bio Technologies Private Limited will be discontinued and the wastage in the forms of shells and skins of the dry fruits will be disposed of by ProV Foods directly to outside parties.

For further details, please refer section titled "Our Business" beginning on page 107 of this Prospectus.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD

After the date of last financial year i.e., March 31, 2022, the following material events have occurred after the last audited period.

1. The Board of Directors of the Company approved the Initial Public Offering and Offer for Sale of Equity Shares of our Company in their meeting held on April 12, 2023.
2. The Shareholders of the Company approved the Initial Public Offering and Offer for sale of our Equity Shares in the Extra Ordinary General Meeting of the members held on April 13, 2023.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "Risk Factors" beginning on page 25 of this Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

➤ ***Key raw materials prices, quality and packaging material costs***

Our raw material requirements include procurement of quality dry fruits for our business. We presently procure all these raw materials from our various suppliers, locally and also imports, and our procurement is based on our requirements on an on-going basis, through purchase orders at an “as needed” basis. For the nine months period ended December 31, 2022 and in Fiscals 2022, 2021, 2020, the cost of goods sold was ₹ 30,335.39 lakhs, ₹ 38,535.54 lakhs, ₹ 28,539.63 lakhs, and ₹ 88,804.59 lakhs, and accounted for 95.40%, 95.56%, 94.86% and 99.09% of our revenue from operations.

The raw materials we use are subject to price volatility and unavailability caused by external conditions, such as commodity price fluctuations within India and globally, weather conditions, supply and demand dynamics, logistics and processing costs, our bargaining power with the suppliers, inflation and governmental regulations and policies. Also being farm produce, the quality and supply of the raw material is highly dependent on the climate of the region where such crops are cultivated. Any change in global prices may result in significant impact on the prices of these commodities, which we may not be able to pass on to the consumers and which would correspondingly affect our various margins and financial condition. If we are unable to manage these costs or to increase the prices of our products to offset these increased costs, our margins, cash flows and overall profitability may be adversely affected.

➤ ***Distribution network and market penetration***

We are a pan-India snack food company. Our extensive nationwide indirect distribution network along with the modern trade channel and e-commerce platforms enables us to reach to a wide range of consumers and ensure effective market penetration. Points of sale for snack food products include traditional retail points, such as grocery stores, as well as modern retail outlets including supermarkets, hypermarkets and convenience stores for sales in urban areas.

We continue to focus on increasing our retail presence in all zones. There is an increasing trend toward modern retail trade and e-commerce platforms in the urban markets due to the availability of multiple brands and varieties, offers and discounts, and the option to purchase all products under one roof. We intend to increase our retail presence in modern retail outlets, in addition to the focus on expanding general trade channel.

In digital marketing, we intend to selectively create presence across social media platforms and directed marketing through search engines. The robustness of our sales and distribution network and effectiveness of our marketing activities and is key to our future growth and expansion and result of operations.

➤ ***Ability to maintain brand image and cater to changing consumer preferences***

We derive substantially all of our revenue from the sale of our food products, which depends on the strength of “ProV” brand. We have consistently allocated significant resources to establish and strengthen the *ProV* brand and increase our brand recall as one of India's leading dry fruits and healthy snacks brands through various marketing initiatives. We have consciously developed our product portfolio under the *ProV* brand, allowing customers to associate with one brand. We have also entered into an *agreement* with Chef Sanjeev Kapoor and KS Narayanan having experience in food and FMCG, for endorsement, advertisement and promotions of and providing services in relation to the brand, products and ProV Foods. The said agreement also gives a right to ProV Foods to exclusively use SK IP and attributes for the brand, products and ProV Foods during the term of the agreement and KSK shall also assist in development of new product recipe under the brand of ProV Foods. We believe that the scale of our business provides us the ability to focus on branding and promotion to further increase our visibility and market share. Accordingly, a significant part of our success has been and will continue to depend on our ability to maintain our brand image and at the same time continue to manufacture high-quality dry fruits and healthy snacks adapted to the consumer’s tastes.

➤ ***Pricing pressures from the competitive business environment***

The market is characterized by a large number of unorganized players across all product segments who in most cases operate only in traditional snacks items. The organised industry is also expanding rapidly in the healthy snack segment. Competitive factors in the healthy snack food industry include product quality, taste, price, brand awareness among consumers, advertising and promotion, innovation of products, variety,

nutritional content, product packaging and package design. We compete in the organised sector principally on the basis of product taste, price and brand recognition. Some of our competitors have been in their respective businesses longer than we have and have substantially greater financial resources, wider distribution tie-ups, larger product portfolio, technology, research and development capability and greater market penetration. Our competitors might have significantly higher marketing and promotional budget compared to us which would increase their visibility in the market.

Other factors effecting our business:

- General economic and business conditions in the markets in which we operate and in the local, regional and national economies
- Substantial capital expenditure & working capital requirements
- Default or delay in payment from customers
- Changes in laws, rules & regulations and legal uncertainties
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or non-compliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospect

Sales mix and the geographical presence

The following table sets forth certain information on the relative sales contribution of our product categories in the periods indicated on consolidated basis:

| Category | Nine months period ended December 31, 2022 | | Fiscal | | | | | | CAGR (Fiscal 2020 Through Fiscal 2022) (%) |
|---|--|---------------------|------------------|---------------------|------------------|---------------------|--------------------|---------------------|--|
| | | | 2022 | | 2021 | | 2020 | | |
| | Amount (₹ lakhs) | %age of total sales | Amount (₹ lakhs) | %age of total sales | Amount (₹ lakhs) | %age of total sales | Amount (₹ lakhs) * | %age of total sales | |
| Bulk sales & white labelling (dry fruits, nuts & seeds) | 15,322.84 | 48.36% | 29,687.88 | 73.72% | 23,748.90 | 79.08% | 38,540.86 | 43.00% | -12.23% |
| “ProV” brand sales (Retail packaging) | 15,207.75 | 47.99% | 7,676.15 | 19.06% | 4,982.72 | 16.59% | 3,505.01 | 3.91% | 47.99% |
| Bulk sales (other commodities) | 1,156.63 | 3.65% | 2,727.17 | 6.77% | 1,299.02 | 4.33% | 47,490.55 | 52.99% | -76.04% |
| Sale of shares | - | 0.00% | 178.90 | 0.44% | - | 0.00% | 83.71 | 0.09% | 46.19% |
| Total | 31,687.22 | 100.00% | 40,270.11 | 100.00% | 30,030.64 | 100.00% | 89,620.14 | 100.00% | -32.97% |

Further, we sell our products under the brand “ProV” primarily through general trade, modern trade and e-commerce platform. The table below provides a channel-wise breakdown of our sales of food products under retail business in Fiscal 2022, 2021 and 2020, and in the nine months ended December 31, 2022:

| Category | Nine months period ended December 31, 2022 | | Fiscal | | | | | | CAGR (Fiscal 2020 Through Fiscal 2022) (%) |
|-----------------------------------|--|---------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|--|
| | | | 2022 | | 2021 | | 2020 | | |
| | Amount (₹ lakhs) | %age of total sales | Amount (₹ lakhs) | %age of total sales | Amount (₹ lakhs) | %age of total sales | Amount (₹ lakhs) | %age of total sales | |
| General Trade ¹ | 6,743.36 | 44.34% | 5,586.30 | 72.77% | 2,107.42 | 42.29% | 2,717.97 | 77.55% | 43.36% |
| Modern Trade ² | 4,887.65 | 32.14% | 127.01 | 1.65% | 1,734.27 | 34.81% | 124.77 | 3.56% | 0.89% |
| E-commerce platforms ³ | 3,303.32 | 21.72% | 1,685.80 | 21.96% | 987.14 | 19.81% | 170.26 | 4.86% | 214.67% |
| Others ⁴ | 273.42 | 1.80% | 277.04 | 3.61% | 153.88 | 3.09% | 492.01 | 14.04% | -24.96% |
| Total | 15,207.75 | 100.00% | 7,676.15 | 100.00% | 4,982.72 | 100.00% | 3,505.01 | 100.00% | 47.99% |

¹ Includes indirect distributors

² Includes large supermarkets, hypermarkets and retail chains

³ Includes B2B and B2C online distribution platforms

⁴ Includes sale of ₹ 6.11 lakhs in the nine months period ended December 31, 2022 and ₹ 4.72 lakhs in the financial year ended March 31, 2022 from the website of ProV Foods, i.e. www.provfoods.in

SIGNIFICANT ACCOUNTING POLICIES

For more details kindly refer to section titled “Restated Consolidated Financial Statements - Annexure 4 beginning on page 170 of this Prospectus.

DISCUSSION ON RESULTS OF OPERATIONS

The following table sets forth financial data from our restated consolidated financial statements of profit & loss for the nine months period ended December 31, 2022 and for the financial years ended March 31, 2022, 2021 and 2020, the components of which are also expressed as a percentage of total revenue for such periods:

| Particulars | For the period ended December 31, 2022 | | Year ended March 31, 2022 | | Year ended March 31, 2021 | | Year ended March 31, 2020 | |
|---|--|----------------|---------------------------|----------------|---------------------------|----------------|---------------------------|----------------|
| | Amount | %* | Amount | %* | Amount | %* | Amount | %* |
| (₹ in lakhs) | | | | | | | | |
| (A) Revenue | | | | | | | | |
| Revenue from Operations | 31,798.26 | 99.65% | 40,326.68 | 99.73% | 30,087.50 | 99.71% | 89,620.14 | 99.48% |
| Other Income | 111.37006 | 0.35% | 107.89 | 0.27% | 86.42 | 0.29% | 468.87 | 0.52% |
| Total Revenue | 31,909.63 | 100.00% | 40,434.57 | 100.00% | 30,173.92 | 100.00% | 90,089.01 | 100.00% |
| (B) Expenditure | | | | | | | | |
| Cost of Materials Consumed | 19,373.65 | 60.71% | 17,412.54 | 43.06% | 5,201.11 | 17.24% | 4,643.02 | 5.15% |
| Purchase of Stock-in-trade | 10,046.91 | 31.49% | 21,791.43 | 53.89% | 23,950.83 | 79.38% | 66,820.96 | 74.17% |
| Changes in Inventories of Stock-in-Trade | 914.83 | 2.87% | -668.44 | -1.65% | -612.32 | -2.03% | 17,340.60 | 19.25% |
| Employee Benefits Expenses | 371.97 | 1.17% | 389.53 | 0.96% | 328.31 | 1.09% | 345.05 | 0.38% |
| Finance Costs | 222.00 | 0.70% | 213.09 | 0.53% | 80.65 | 0.27% | 1,124.12 | 1.25% |
| Depreciation and Amortization | 52.09 | 0.16% | 88.27 | 0.22% | 68.17 | 0.23% | 36.82 | 0.04% |
| Other Expenses | 690.56 | 2.16% | 1,051.71 | 2.60% | 909.07 | 3.01% | 2,637.97 | 2.93% |
| Total Expenditure | 31,672.02 | 99.14% | 40,278.14 | 99.61% | 29,925.82 | 99.18% | 92,948.55 | 103.17% |
| Profit / (Loss) Before Exceptional and Extraordinary Items and Tax | 237.61 | 0.74% | 156.44 | 0.39% | 248.10 | 0.82% | (2,859.53) | (3.17%) |
| Exceptional Items / Extraordinary Items | - | | - | 0.00% | - | 0.00% | - | 0.00% |
| Profit / (Loss) Before Tax | 237.61 | 0.74% | 156.44 | 0.39% | 248.10 | 0.82% | (2,859.53) | (3.17%) |
| Tax Expense: | | | | | | | | |
| (1) Tax Expense For Current Year | 26.12 | 0.08% | 18.96 | 0.05% | 27.71 | 0.09% | 1.64 | 0.00% |
| (2) Short/(Excess) Provision of Earlier Year | - | 0.00% | - | 0.00% | - | 0.00% | 32.45 | 0.04% |
| (3) Deferred Tax | 21.67 | 0.07% | 23.35 | 0.06% | 32.49 | 0.11% | (703.16) | (0.78%) |
| Net Current Tax Expenses | 47.79 | 0.15% | 42.31 | 0.10% | 60.19 | 0.20% | (669.08) | (0.74%) |
| Profit/(Loss) for the period from continuing operations | 189.82 | 0.59% | 114.12 | 0.28% | 187.90 | 0.62% | (2,190.46) | (2.43%) |

* (%) column represents percentage of total revenue.

Key Components of our Statement of Profit and Loss Based on our Restated Consolidated Financial Statements

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operations represents sale of agro produce, both Bulk sales & white labelling and “ProV” brand sales (Retail packaging) and other commodities. The company is engaged into sale of dry fruits, nuts, seeds, berries under the healthy snacks segment. The other operating revenue includes revenue from liquidity enhancement scheme incentive and profit on trading of derivative instruments. Our Company has enhanced its focus on brand “ProV” sales and the same has resulted in a CAGR of 47.99% in “ProV” brand sales (Retail packaging) through Fiscal from 2020 to Fiscal 2022.

Other Income

Other income includes interest on deposit with bank, interest on margin with brokers, discount on MEIS license, foreign exchange gain, miscellaneous income, profit on sale of securities, dividend income, etc. The other business activities relating to trading in securities has been discontinued from the Fiscal 2023.

Expenditure

Our total expenditure primarily consists of cost of materials consumed, purchase of stock-in-trade, change in inventories of stock-in-trade, packaging material cost, employee benefit expenses, finance cost, depreciation and amortization expenses, marketing and other expenses.

Cost of Materials Consumed

Cost of Materials Consumed includes raw material and packing material costs and is with respect to the goods sold after processing, including our brand “ProV”.

Changes in Inventories of Stock-in-trade

It consists of changes in inventories of our raw material which is being sold under bulk category without any further processing.

Employee Benefit Expenses

Employee benefit expenses comprises of salaries and wages, director remuneration, staff welfare expenses, bonus, gratuity provided and employers contribution to provident fund.

Finance costs

Finance cost includes interest expenses on loans availed by our Company, including subsidiaries and bank loan processing charges etc

Depreciation & Amortisation Cost

Depreciation Expenses consist of depreciation on the Tangible assets of our company i.e., Office Building, Furniture, Motor Vehicles, Office Equipment, IT Equipment, Machinery, Electrical Installations and Equipments and Computer. The value of intangible assets held by the Company is negligible.

Other Expenses

Other expenses Includes Commission and brokerage, Exchange Trading expenses, Legal & professional Expenses, Marketing and Branding expenses, Office expenses, Packing expenses, Repairs and Maintenance, Sample Expenses, etc.

Provision for Tax

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date.

FOR THE PERIOD ENDED DECEMBER 31, 2022

Income:

Total Revenue

Our total revenue amounted to ₹ 31,909.63 lakhs for the period ended December 31, 2022 which is on account of revenue from operations and other income as described.

Revenue from Operations

Our revenue from operations for the period ended December 31, 2022 was ₹ 31,798.26 lakhs which is about 99.65% of the total revenue. Out of which ₹ 31,687.22 lakhs comes from sale of agri produce and shares and ₹ 111.05 lakhs from other operating revenue. During the period, the Company has focussed on its brand sales, under the brand "ProV" and the sales from the brand comprised of 47.99%, Bulk sales & white labelling sales constituted 48.36% and Bulk sales of other commodities constituted 3.65% of the total sale of goods. Other operating income comprised of revenue from Liquidity Enhancement Scheme Incentive and net profit on trading in derivative instruments.

Other Income

Our other income for the period ended December 31, 2022 was ₹ 111.37 lakhs which is about 0.35% of the total revenue.

Expenditure:

Cost of Materials Consumed

Cost of Materials Consumed for the period ended December 31, 2022 was ₹ 19,373.65 lakhs which aggregated 60.71% of the total revenue.

Purchase of stock in Trade

Purchase of Stock in trade for the period ended December 31, 2022 was ₹ 10,046.91 lakhs which aggregated to 31.49% of total revenue.

Change in inventories of Stock in Trade

Our changes in inventories of stock in trade was ₹ 914.83 lakhs.

Employee Benefits Expenses

The employee benefits expenses for the period ended December 31, 2022 was ₹ 371.97 Lakhs which is about 1.17% of the total revenue.

Finance Cost

Financial costs for the period ended December 31, 2022 was ₹ 222.00 Lakhs which is about 0.70% of the total revenue.

Other Expenses

Other Expenses for the period ended December 31, 2022 was ₹ 690.56 Lakhs which is about 2.16% of the total revenue.

Depreciation and Amortization Expenses

Depreciation for the period ended December 31, 2022 was ₹ 52.09 lakhs which is about 0.16% of the total revenue.

Profit before Tax

Profit before tax for the period ended December 31, 2022 was ₹ 237.61 lakhs which is about 0.74% of the total revenue.

Tax Expenses

Current tax expenditure was ₹ 26.12 Lakhs for the period ended December 31, 2022. Deferred tax charge was ₹ 21.67 Lakhs during the same period.

Profit after Tax (PAT)

For the various reasons discussed above, we recorded a profit after tax for the year of ₹ 189.82 lakhs during the nine months period ended December 31, 2022.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2022 TO FINANCIAL YEAR ENDED MARCH 31, 2021

Total Revenue

Our total revenue increased by 34.01% to ₹ 40,434.57 lakhs for the Fiscal 2022 from ₹ 30,173.92 Lakhs for the Fiscal 2021 primarily due to higher growth in sale of products under the brand “ProV”.

Revenue from Operations

Revenue from operations increased by 34.03% to ₹ 40,326.68 lakhs in the Fiscal 2022 from ₹ 30,087.50 lakhs during the Fiscal 2021. The sale of products under the brand ProV increased by 54.06%, i.e. from ₹ 4,982.72 lakhs in Fiscal 2021 to ₹ 7676.15 lakhs in Fiscal 2022. The sales from Bulk & white labelling activities increased by 25.01% i.e. from ₹ 23748.90 lakhs in Fiscal 2021 to ₹ 29687.88 lakhs in Fiscal 2022. The Bulk sales from other commodities increased by 109.94% i.e. from ₹ 1299.02 lakhs in Fiscal 2021 to ₹ 2727.17 lakhs in Fiscal 2022.

Other Income

In the Fiscal 2022 it was ₹ 107.89 Lakhs as compared to ₹ 86.42 Lakhs for the Fiscal 2021 which shows an increase by 24.84%. The change is primarily on account of refund of exchange trading expenses of ₹ 21.19 lakhs and foreign exchange gain which increased to ₹ 16.73 lakhs in Fiscal 2022 from ₹ 0.44 lakhs in Fiscal 2021. Further, the profit on sale of securities also increased to ₹ 34.53 Lakhs in Fiscal 2022 from ₹ 19.89 Lakhs in Fiscal 2021.

Expenditure

Cost of Materials Consumed

The cost of material consumed in Fiscal 2022 was higher by 234.79% to ₹ 17,412.54 Lakhs in Fiscal 2022 compared from ₹ 5,201.11 lakhs in Fiscal 2021 on account of increased sales of our products under the brand “ProV”.

Purchase of Stock in Trade

The value of purchase of Stock in Trade in Fiscal 2022 decreased by 9.02% to ₹ 21,791.43 Lakhs in Fiscal 2022 compared from ₹ 23,950.83 in Fiscal 2021 owing to decrease in sale of goods under bulk category without any further processing.

Change in Inventories of Stock-in-Trade

Changes in inventories of finished goods increased by 9.17% from ₹ (612.32) lakhs in Fiscal 2021 to ₹ (668.44) lakhs in Fiscal 2022, primarily due to fall in the closing stock levels in Fiscal 2022 as a result of increased focus on brand business vis-à-vis the traditional bulk and white labelling business.

Employee Benefits Expenses

The Employee benefits expenses for Fiscal 2022 increased by 18.65% to ₹ 389.53 Lakhs as compared from ₹ 328.31 Lakhs in Fiscal 2021. As the business operations are growing, the management has strengthened the team which resulted in increase in salaries and wages paid during the Fiscal 2022.

Finance Cost

The Finance Cost increased by 164.22% in Fiscal 2022 to ₹ 213.09 Lakhs from ₹ 80.65 Lakhs in Fiscal 2021. The same is primarily on account of utilisation of working capital limits by our Material Subsidiary, ProV Foods during the Fiscal 2022. The said utilisation of limits was as a result of increased sale of our branded products through Material Subsidiary.

Depreciation and Amortization Expenses

The Depreciation increased by 29.49% to ₹ 88.27 Lakhs in the Fiscal 2022 from ₹ 68.17 Lakhs in the Fiscal 2021 primarily on account of full year depreciation on the capex undertaken in the Material Subsidiary for its manufacturing plant for the brand business.

Other Expenses

The other expenses increased by 15.69% to ₹ 1051.71 Lakhs in the Fiscal 2022 as compared to ₹ 909.07 Lakhs in the Fiscal 2021 primarily on account of packaging expenses and transport and delivery charges for its brand business.

Profit before tax

For the reasons discussed above, profit before tax was ₹ 156.44 lakhs in Fiscal 2022 compared to ₹ 248.10 lakhs in Fiscal 2021.

Tax Expenses

Current tax decreased to ₹ 18.96 Lakhs in the Fiscal 2022 compared to ₹ 27.71 Lakhs in the Fiscal 2021. Deferred tax charge decreased from a charge of ₹ 32.49 Lakhs in Fiscal 2021 to ₹ 23.35 Lakhs in Fiscal 2022.

Profit after Tax (PAT)

For the various reasons discussed above, we recorded a profit after tax for the year of ₹ 114.12 lakhs in Fiscal 2022 compared to ₹ 187.90 Lakhs in Fiscal 2021.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2021 TO FINANCIAL YEAR ENDED MARCH 31, 2020

Total Revenue

Our total revenue decreased by 66.51% to ₹ 30,173.92 lakhs for the Fiscal 2021 from ₹ 90,089.01 Lakhs for the Fiscal 2020 primarily due increased focus of the Company on creation of the brand “ProV” and reduced transactions for other commodities.

Revenue from Operations

Revenue from operations decreased by 66.43% to ₹ 30,087.50 lakhs for the Fiscal 2021 from ₹ 89,620.14 Lakhs for the Fiscal 2020. The sale of products under the brand ProV increased by 42.16%, i.e. from ₹ 3,503.01 lakhs in Fiscal 2020 to ₹ 4,982.72 lakhs in Fiscal 2021. The sales from Bulk & white labelling activities reduced significantly by 70.91% i.e. from ₹ 86,115.13 lakhs in Fiscal 2020 to ₹ 25,047.92 lakhs in Fiscal 2021. Also the

Company had significantly reduced its operations in bulk trading of other commodities in the Fiscal 2021 vis-à-vis Fiscal 2020.

Other Income

In the Fiscal 2021, other income was ₹ 86.42 Lakhs as compared to ₹ 468.87 Lakhs for the Fiscal 2020 which shows a decrease of 81.57%. The fall in other income is primarily on account of lower interest income and discount on MEIS license during the Fiscal 2021.

Expenditure

Cost of Materials Consumed

The cost of material consumed in Fiscal 2021 was higher by 12.02% to ₹ 5,201.11 Lakhs in Fiscal 2021 compared from ₹ 4,643.02 lakhs in Fiscal 2020 on account of increased sales of our products under the brand “ProV”.

Purchase of Stock in Trade

The value of purchase of Stock in Trade in Fiscal 2021 decreased by 64.16% to ₹ 23,950.83 Lakhs in Fiscal 2021 compared from ₹ 66,820.96 in Fiscal 2020 owing to decrease in sale of goods under bulk category without any further processing.

Change in Inventories of Stock-in-Trade

Changes in inventories of finished goods reduced from ₹ (17,340.60) lakhs in Fiscal 2020 to ₹ (612.32) lakhs in Fiscal 2021, primarily due to fall in the closing stock levels in Fiscal 2021 as a result of increased focus on brand business vis-à-vis the traditional bulk and white labelling business and also discontinuation of the agri commodities business. Also the changes of inventory in stock in trade in Fiscal 2020 was significant as the stock in trade held by us on March 31, 2020 was considered as the commercial activities were halted across country on account of lock down due to Covid-19 Pandemic and prices of commodities significantly dropped internationally.

Employee Benefits Expenses

The Employee benefits expenses for Fiscal 2021 marginally reduced by 4.85% to ₹ 328.31 Lakhs as compared from ₹ 345.05 Lakhs in Fiscal 2021 due to certain cost efficient measures taken by the Company during COVID-19 Pandemic.

Finance Cost

The Finance Cost reduced by 92.83% in Fiscal 2021 to ₹ 80.65 Lakhs from ₹ 1,124.12 Lakhs in Fiscal 2020. The same is primarily on account of reduced utilisation of limit.

Depreciation and Amortization Expenses

The Depreciation increased by 85.14% to ₹ 68.17 Lakhs in the Fiscal 2021 from ₹ 36.82 Lakhs in the Fiscal 2020 primarily on account of depreciation on the capex undertaken in the Material Subsidiary for its manufacturing plant for the brand business.

Other Expenses

The other expenses decreased by 65.54% to ₹ 909.07 Lakhs in the Fiscal 2021 as compared to ₹ 2,637.97 Lakhs in the Fiscal 2020. The business relating to trading in derivatives instruments significantly reduced including related expenses for such activities. In the Fiscal 2020, the Company incurred a loss of ₹ 1,926.04 lakhs on such activities primarily due to spread of Covid-19 virus and the Pandemic situation across the globe to contain which the Indian Government declared a pre-emptive nation wide lock down. This has halted commercial activities across the country and prices of commodities significantly dropped internationally which also resulted in mark to market losses on the positions held by us in the commodities derivatives segment. The comparative loss on such trading in derivative instruments in Fiscal 2021 was ₹ 283.13 lakhs.

Profit before tax

For the reasons discussed above, profit before tax was ₹ 248.10 lakhs in Fiscal 2021 compared to loss of ₹ (2,859.53) lakhs in Fiscal 2020.

Tax Expenses

Current tax increased to ₹ 27.71 Lakhs in the Fiscal 2021 compared to ₹ 1.64 Lakhs in the Fiscal 2020. Also there was a provision of taxes for earlier year in Fiscal 2020 for ₹ 32.45 lakhs. Deferred tax charge increased from a charge of ₹ (703.16) Lakhs in Fiscal 2020 to ₹ 32.49 Lakhs in Fiscal 2021.

Profit after Tax (PAT)

For the various reasons discussed above, we recorded a profit after tax for the year of ₹ 187.90 lakhs in Fiscal 2021 compared to a loss of ₹ (2,190.46) Lakhs in Fiscal 2020.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through debt financing, equity funding and funds generated from our operations. From time to time, we may obtain loan facilities to finance our short term working capital requirements.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

| Particulars | For the nine months ended December 31, 2022 | For the financial year ended | | |
|--|---|------------------------------|----------------|----------------|
| | | March 31, 2022 | March 31, 2021 | March 31, 2020 |
| Net cash flows from / (used in) operating activities | (550.63) | 20.84 | 1,272.04 | 1,378.36 |
| Net cash flows from / (used in) investing activities | (32.73) | (111.03) | (99.50) | (562.33) |
| Net cash flows from / (used in) financing activities | (454.36) | 216.59 | (87.49) | (847.03) |
| Change in Foreign Translation Reserve | 19.15 | 8.39 | (7.40) | 21.02 |
| Net Increase/(Decrease) In Cash & Cash Equivalents | (1,018.56) | 134.80 | 1,077.65 | (9.99) |
| Cash equivalents at the beginning of the year | 1,434.29 | 1,299.50 | 221.85 | 231.83 |
| Cash equivalents at the end of the year | 415.73 | 1,434.29 | 1,299.50 | 221.85 |

(₹ in lakhs)

The reconciliation of the movements of liabilities to cash flows arising from financing activities:

| Particulars | For the nine months ended December 31, 2022 | For the financial year ended | | |
|---------------------------|---|------------------------------|----------------|----------------|
| | | March 31, 2022 | March 31, 2021 | March 31, 2020 |
| Opening balance | 2,302.33 | 2,193.28 | 975.94 | 12,000.72 |
| Working Capital Facility | 763.20 | 740.70 | 743.47 | 504.47 |
| Loan from Related Parties | 378.51 | 6.74 | 9.13 | 11.31 |
| Term Loan | 3,444.05 | 2,940.72 | 1,728.55 | 12,516.50 |
| Movement | | | | |
| Cash flows; | | | | |
| Working Capital Facility | (105.66) | 109.05 | 1,217.34 | (11,024.77) |
| Loan from Related Parties | (272.23) | 22.50 | (2.77) | 239.00 |
| Term Loan | (5.02) | 371.77 | (2.39) | (2.18) |

(₹ in lakhs)

| Particulars | For the nine months ended December 31, 2022 | For the financial year ended | | |
|---------------------------|---|------------------------------|-----------------|-----------------|
| | | March 31, 2022 | March 31, 2021 | March 31, 2020 |
| Interest expenses | 192.83 | 184.06 | 58.12 | 1,083.64 |
| Closing Balance | | | | |
| Working Capital Facility | 2,196.67 | 2,302.33 | 2,193.28 | 975.94 |
| Loan from Related Parties | 490.97 | 763.20 | 740.70 | 743.47 |
| Term Loan | 373.49 | 378.51 | 6.74 | 9.13 |
| Total | 3,061.14 | 3,444.05 | 2,940.72 | 1,728.55 |

CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

As on December 31, 2022, there are no contingent liabilities and Off-Balance Sheet arrangements

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

We do not have any long-term commitments or material non-cancellable contractual commitments/contracts, including derivative contracts for which there were any material foreseeable losses.

CAPITAL EXPENDITURES

In the nine months period ended December 31, 2022 and Fiscal 2022, Fiscal 2021 and Fiscal 2020, gross addition to our fixed assets (property, plant and equipment's and intangible assets) were ₹ 27.59 lakhs, ₹ 91.69 lakhs, ₹ 242.70 lakhs, and ₹ 192.29 lakhs, respectively. The following table sets forth our fixed assets for the periods indicated:

| Particulars | For the nine months ended December 31, 2022 | For the financial year ended | | |
|-------------------------------------|---|------------------------------|----------------|----------------|
| | | March 31, 2022 | March 31, 2021 | March 31, 2020 |
| Property Plant and Equipment | 27.59 | 91.69 | 240.99 | 190.59 |
| Intangible Assets | - | - | 1.72 | 1.70 |
| Capital Work in Progress | - | - | - | 161.71 |

DETAILS ON WORKING CAPITAL REQUIRED FOR OUR BUSINESS OPERATIONS

The details of holding period for the working capital deployed by our Company, Proventus Agrocom Limited as at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 is as under:

(₹ in lakhs)

| Particulars | As at | | | |
|---|-------------------|----------------|----------------|----------------|
| | December 31, 2022 | March 31, 2022 | March 31, 2021 | March 31, 2020 |
| Inventories | 21 | 32 | 34 | 8 |
| Trade receivables | 21 | 16 | 23 | 6 |
| Short term loans and advances | 22 | 17 | 23 | 17 |
| Trade payables | 4 | 13 | 8 | 3 |
| Other current liabilities & short term provisions | 2 | 0.30 | 0.20 | 3 |

The details of holding period for the working capital deployed by our Material Subsidiary, Prov Foods Private Limited as at December 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 is as under:

(₹ in lakhs)

| Particulars | As at | | | |
|-------------------|-------------------|----------------|----------------|----------------|
| | December 31, 2022 | March 31, 2022 | March 31, 2021 | March 31, 2020 |
| Inventories | 18 | 17 | 18 | - |
| Trade receivables | 31 | 18 | 99 | - |

| | | | | |
|-------------------------------|----|---|----|---|
| Short term loans and advances | 2 | 3 | 12 | - |
| Trade payables | 23 | 9 | 54 | - |

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include sale of goods and services to entities where any of our KMPs or their relatives have control or significant influence, sale of goods to subsidiary and purchase of goods and services from related parties, loan taken from related parties and loan repaid related parties, employee advance to related parties, employee advance received back from related parties, remuneration paid to KMPs, expenses incurred on behalf of related party and guarantees given to lenders against borrowings.

For further information relating to our related party transactions, see “Financial Information – Related Party Transactions” on page 256.

AUDITORS’ OBSERVATIONS

There are no observations in the audit reports of our Company.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company’s activities expose it to market risk, liquidity risk and credit risk. The Company’s board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Financial instruments affected by market risk include loans, borrowings, term deposits, and investments.

(i) Foreign currency risk

A significant portion of the goods purchased are through import from various countries and are denominated in foreign currencies, mostly the U.S. Dollars. Accordingly, we have currency exposures relating to forex other than in Indian Rupees, particularly the U.S. Dollar. During the nine months ended December 31, 2022, Fiscal 2022, Fiscal 2021 and Fiscal 2020, our net purchase from imports amounted to ₹ 13,491.15 lakhs, ₹ 13,516.37 lakhs, ₹ 9,810.73 lakhs and ₹ 23,998.53 lakhs, respectively, which constituted 50.22%, 36.31%, 37.11% and 35.91%, respectively, of the aggregate of purchases of raw material consumed and traded goods.

The %age of import of raw material from various countries is as under:

(₹ in lakhs)

| Name of countries | December 31, 2022 | | March 31, 2022 | | March 31, 2021 | | March 31, 2020 | |
|---|-------------------|---------------|------------------|----------------|-----------------|----------------|------------------|----------------|
| | Amount | %age* | Amount | %age | Amount | %age | Amount | %age |
| Afghanistan | 1,923.72 | 14.26 | 2,431.05 | 17.99% | 599.75 | 6.11% | 335.47 | 1.40% |
| Australia | - | - | 2,066.46 | 15.29% | - | - | 130.01 | 0.54% |
| Chile | 131.57 | 0.98 | 992.43 | 7.34% | 210.86 | 2.15% | 388.61 | 1.62% |
| China | - | - | 156.78 | 1.16% | - | - | - | - |
| Dubai | 132.66 | 0.98 | 69.51 | 0.51% | - | - | - | - |
| Iran | - | - | 81.24 | 0.60% | - | - | - | - |
| South Africa - Beninn | - | - | - | - | - | - | 161.78 | 0.67% |
| United Kingdom | 3,049.44 | 22.60 | 3,185.81 | 23.57% | 2,166.84 | 22.09% | 2,357.52 | 9.82% |
| United States of America | 8,253.76 | 61.18 | 4,533.09 | 33.54% | 6,833.27 | 69.65% | 20,625.13 | 85.94% |
| Value of imports made by the Company | 13,491.15 | 100.00 | 13,516.37 | 100.00% | 9,810.73 | 100.00% | 23,998.53 | 100.00% |

* As a percentage to the total value of imports

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Credit Risk

Credit risk is the risk that a counterparty fails to discharge its obligation to our Group. Our exposure to credit risk is influenced mainly by cash and cash equivalents and trade receivables. We continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Liquidity Risk

Liquidity risk is the risk that our Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Our management monitors rolling forecasts of our liquidity position and cash and cash equivalents on the basis of expected cash flows. We take into account the liquidity of the market in which the entity operates.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in our accounting policies during the nine months period ended December 31, 2022, Fiscals 2022, 2021 and 2020. For further information, see “Restated Consolidated Financial Statements” on page 163.

Information required as per Item 11 (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:

1. Unusual or infrequent events or transactions.

Except as described in this Prospectus, as on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Apart from the risks as disclosed under Section “*Risk Factors*” beginning on page 25, there are no significant economic changes that may materially affect or likely to affect income from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section titled “Risk Factors” beginning on page 25 of this Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues

Our Company’s future costs and revenues will be determined by demand/supply situation, both of the end products as well as the government policies and budget constraints of our customer(s).

5. Increases in net sales or revenue and Introduction of new products or services or increased sales prices.

Increases in revenues are by and large linked to increases in volume of business.

6. Total turnover of each major industry segment in which the Issuer company operates.

We are an integrated health food brand with our presence in entire range of dry fruits, nuts, seeds and berries and healthy snacking products across the value chain. Details of the industry turnover and other relevant information is disclosed in the section “Industry Overview” beginning on page 97 of this Prospectus.

7. Status of any publicly announced new products or business segment.

Our Company has not announced any new services or business segment.

8. The extent to which business is seasonal.

We are largely dependent on the agricultural industry for almost all of our raw materials. Across the globe, agricultural industry is largely dependent on various factors including monsoon and weather conditions. Any vagaries of weather and abnormal monsoon may ruin crops, and subsequently increase the prices of our raw materials which can have an adverse effect on our results of operations. For further information, see “Risk Factors” on page 25 of this Prospectus.

9. Any significant dependence on a single or few suppliers or customers.

Significant proportion of our revenues have historically been derived from a limited number of customers. The % of Contribution of our Company’s customers and supplier’s vis-a-vis the total revenue from operations and raw materials purchase respectively for the period ended on December 31, 2022 and for the financial year ended as on March 31, 2022 based on Restated Consolidated Financial Statements are as follows:

| Category | Nine months period ended December 31, 2022 | | Fiscal | | | | | |
|------------------|--|---------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|
| | | | 2022 | | 2021 | | 2020 | |
| | Amount (₹ lakhs) | %age of total sales | Amount (₹ lakhs) | %age of total sales | Amount (₹ lakhs) | %age of total sales | Amount (₹ lakhs) | %age of total sales |
| Top 5 customers | 12,049.36 | 38.03 | 16,269.67 | 40.34 | 9,827.95 | 32.66 | 45,355.87 | 50.61 |
| Top 10 customers | 16,084.10 | 50.76 | 21,703.95 | 53.82 | 14,223.97 | 47.28 | 53,147.49 | 59.30 |
| Top 5 suppliers | 8,157.66 | 25.74 | 9,518.66 | 25.57 | 6,471.13 | 24.48 | 14,786.81 | 22.13 |
| Top 10 suppliers | 11,461.91 | 36.17 | 13,900.28 | 37.34 | 9,849.48 | 37.25 | 23,457.64 | 35.11 |

10. Competitive conditions

Competitive conditions are as described under the Sections titled “Industry Overview” and “Our Business” beginning on pages 97 and 107, respectively of this Prospectus.

Material developments subsequent to December 31, 2022

Except as disclosed in this Prospectus, there are no significant developments or circumstances that have arisen since December 31, 2022, the date of the last financial statements included in this Prospectus:

Our company has not incorporated any subsidiary or made any investment in any other company after December 31, 2022.

Further, except as disclosed in this Prospectus, there are no circumstances that have arisen since December 31, 2022, the date of the last financial statements included in this Prospectus, which materially and adversely affect or is likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business for the purposes of working capital requirements. For the Offer, our Company has obtained the necessary consents required under the relevant loan documentations for undertaking activities, such as change in its capital structure, change in its shareholding pattern or change or amendment to the constitutional documents of our Company.

As on the date of filing of this Prospectus, the overall borrowings of our Company do not exceed the overall limit as specified under Section 180(1)(c) of the Companies Act, 2013.

Set forth below is a brief summary of all the borrowings of our Company together with a brief description of certain significant terms of such financing arrangements.

The Articles, subject to the provisions of Section 180 (1) (c) of the Companies Act, 2013 authorize the Board to from time to time at its discretion or by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose borrow or secure the payment of any sum or sums of money for the purposes of our Company.

A. Proventus Agrocom Limited

Statement of principal terms of secured loans and assets charged as security

| Name of Lender | Canara Bank Limited * | Canara Bank Limited | HDFC Bank Limited |
|------------------------------|---|---|---|
| Date of Sanction / Renewal | August 19, 2022 | November 22, 2021 | August 02, 2018 |
| Nature of Credit Facility | Working Capital – Cash Credit / ODBD Limit | Working Capital Term Loan under Guaranteed Emergency Credit Line 1.0 Extension Scheme | Vehicle Loan |
| Amount Sanctioned (INR Lakh) | ₹ 1200.00 lakhs (with sub-limit of ₹ 700.00 lakhs as Overdraft against Book Debt and ₹ 200.00 lakhs lakhs as Inland / Foreign Letter of Credit) | ₹ 279.00 lakhs | ₹ 12.50 lakhs |
| Rate of Interest | RLLR of 8.30% + 0.75% = 9.05% and additional 0.25% for exposure above ₹ 10 Cr. i.e., applicable RoI of 9.30% | RLLR + 0.60% / One year MCILR + 0.60%, subject to a maximum of 9.25% | 9.00% |
| Repayment Schedule | Repayable on Demand | 36 instalments after a moratorium of 24 months | Interest and principle to be paid in equated monthly instalments over the period of 60 months from the date of disbursement of loan |
| Security Offered | Prime Security: 1) Stock and Book Debts Collateral: 1) Residential Flat located at Kandivali (East), Mumbai and 2) Residential Flat located at Santacruz (East), Mumbai | Prime Security: 1) Stock and Book Debts Collateral: 1) Residential Flat located at Kandivali (East), Mumbai and 2) Residential Flat located at Santacruz (East), Mumbai | Vehicle |

| Name of Lender | Canara Bank Limited * | Canara Bank Limited | HDFC Bank Limited |
|--|--|---------------------|---------------------------------|
| Maturity Period / Tenor | Renewal every 12 Months | 60 months | August 05, 2023 |
| Prepayment Penalty | 2% to be levied on the outstanding liability | NA | 3% of the Principal Outstanding |
| Outstanding amount as on February 28, 2023 | ₹ 422.47 lakhs | ₹ 279.00 lakhs | ₹ 1.78 lakhs |

* The Company has availed working capital facility from Canara Bank Limited. Working capital facility is due for renewal every 12 months. Loan is primarily secured by way of Exclusive Charge on Stock and Book debts of the Company. Further the loan is also having collateral security as under:

- (i) Residential Flat in the name of Durga Prasad Jhawar and Swati Durga Prasad Jhawar situated at 103, 1st floor, B-wing, Krishna Tower CHS Ltd, Shital Nagar, Ashok Chakravarti Cross Road No 1, C S No 57, Village-Wadhwan, Kandivali East, Mumbai
- (ii) Residential Flat in the name of Durga Prasad Jhawar and Swati Jhawar situated at 601, E Wing, Insignia, Village Kole - Kalyan, Taluka Andheri, Santacruz East, Mumbai - 400097

B. Prov Foods Private Limited

STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

| Name of Lender | Canara Bank Limited * | Canara Bank Limited |
|--|---|---|
| Date of Sanction / Renewal | June 18, 2022 | November 01, 2021 |
| Nature of Credit Facility | Working Capital - Cash Credit / ODBD Limit | Working Capital Term Loan under Guaranteed Emergency Credit Line 1.0 Extension Scheme |
| Amount Sanctioned (INR Lakh) | ₹ 1200.00 lakhs (with sub-limit of ₹ 700 lakhs as Overdraft against Book Debt) | ₹ 90.00 lakhs |
| Rate of Interest | RLLR of 8.80% + Spread of 0.75% i.e. 9.55% | RLLR + 0.60% / One year MCLR + 0.60%, subject to a maximum of 9.25% |
| Repayment Schedule | Repayable on Demand | 36 instalments after a moratorium of 24 months |
| Security Offered | Prime Security: 1) Stock and Book Debts Collateral: 1) Residential Flat located at Goregaon (East), Mumbai | Prime Security: 1) Stock and Book Debts Collateral: 1) Residential Flat located at Goregaon (East), Mumbai |
| Maturity Period / Tenor | Renewal every 12 Months | 60 months |
| Prepayment Penalty | Nil | Nil |
| Outstanding amount as on February 28, 2023 | ₹ 978.08 lakhs | ₹ 90.00 lakhs |

* The Company has availed working capital facility from Canara Bank Limited. Working capital facility is due for renewal every 12 months. Loan is primarily secured by way of Exclusive Charge on Stock and Book debts of the Company. Further the loan is also having collateral security as under:

- (i) Residential Flat in the name of Mrs. Swati Jhawar and Mr. Durga Prasad Jhawar situated at Flat No. 3001, 30th Floor, Milano Tower D, CTS No 586/1 of Village Pahadi & CTS No 257/G of Village Goregaon, Western Express Highway, Goregaon (East), Mumbai, 400063

Further, to meet the demand of finished products of ProV Foods and requirement of higher working capital, our Company has temporarily extended short term loan to ProV Foods for an amount of ₹ 1,696.00 lakhs as on March

31, 2023 which is accounted for as short term loans and advances by Proventus Agrocom. Being wholly owned subsidiary, there is no indebtedness to any outside party and hence not included in above.

RELATED PARTY TRANSACTIONS

For details of related party transactions as per the requirements under Accounting Standard - Related Party Disclosures, read with the SEBI ICDR Regulations, for the nine months period ended December 31, 2022 and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, see “Restated Consolidated Financial Statements - Annexure 33 - Statement of Related Party Transactions” on page 214.

SECTION VII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

We are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of, amongst others, civil suits, criminal proceedings, regulatory proceedings and tax disputes pending before various authorities. These legal proceedings may have been initiated by us or by customers, regulators, or other parties, and are pending at different levels of adjudication before various courts, quasi-judicial bodies, tribunals, enquiry officers and appellate tribunals.

Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes; and (iv) other pending litigation as determined to be material pursuant to the Materiality Policy in each case involving our Company, our Directors, Our Promoters and Our Subsidiaries.

*Our Company has, in accordance with the resolution passed by our Board solely for the purpose of this Offer, disclosed in this section (i) all outstanding criminal litigation and tax proceedings involving our Company; (ii) all outstanding civil litigation involving our Company which is approximately 0.1% of the consolidated revenue of our Company as per the audited consolidated financial statements of our Company for the financial year ended March 31, 2022 ("**Materiality Threshold**") ; (iii) all outstanding actions by statutory or regulatory authorities involving any of our Company; (iv) any other outstanding litigations involving our Company where the monetary sum involved is not quantifiable or is below the Materiality Threshold, where an adverse outcome would, in the opinion of the Board, materially and adversely affect the business, operations, prospects, reputation or financial position of our Company, and (v) any litigations involving the Directors and Promoters of our Company, an adverse outcome in which shall have a material impact on the Company.*

Further, other than as disclosed in this section, (i) there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of circulation of this Prospectus and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Prospectus involving our Company, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Prospectus involving our Company; (iii) there are no defaults in repayment of (a) undisputed statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon; and (d) any loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of this Prospectus; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; or (vii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of this Prospectus.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Directors and/or our Promoters from third parties (excluding statutory / regulatory / governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Directors and/or our Promoters, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

I. Litigation involving our Company

A. Litigation filed against our Company

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

i. Panchnama issued by DDIT (Inv.) Unit -6(3) dated March 7, 2023

Deputy Director of Income Tax (Inv.) Unit – 6(3), Income Tax Department, conducted a search at the registered office of our Company and at the residence of Durga Prasad Jhawar, Promoter and Managing Director & CEO of our Company. The search commenced on March 03, 2023 and concluded on March 07, 2023. During the search, the Authorised Officer(s) had asked questions related to certain transactions undertaken by our Company with few entities belonging to the Edelweiss Group companies and M/s Mahavir Consultancy during the financial years ended March 31, 2017, 2018 and 2019. During this period, the Company has undertaken transactions with the said entities for its business in the normal course of operations and also availed financing facility from ECL Finance Limited. In the course of the said proceedings, Durga Prasad Jhawar, Managing Director & CEO of our Company has given his written statement to the department with respect to the queries raised by the department. Upon temporary conclusion of the search, a panchnama dated March 07, 2023 was issued by DDIT (Inv.) Unit -6(3) for the search and seizure of data backups of mobiles, emails and laptops / systems available at the registered office of our Company and at the residence of Durga Prasad Jhawar, Promoter, Managing Director & CEO of our Company. Neither our Company nor Durga Prasad Jhawar has received any notices in light of the search conducted at our Company's registered office and Durga Prasad Jhawar's residence. At this juncture we are unable to determine what action, if any, would be undertaken by the Income Tax department and/or whether any penal liabilities may arise upon against our Company and Durga Prasad Jhawar.

Later, Elite Solutions and Services Limited, Proventus Retail Private Limited, Pro-Nova Bio Technologies Private Limited and Shree JMD Invest Advisors LLP have received summons dated March 28, 2023 and Proventus Agrocom Limited and Proventus Cashew Processing Private Limited have received summons dated March 30, 2023 in the above matter for appearance before the department with details of certain financial information, corporate structure, KYC details, summary of all bank accounts alongwith transactions undertaken, list of expenses, etc. The said hearing was attended by Mr. Prakash Chechani, Chartered Accountant, as authorized representative of the Company and he had submitted the relevant documents.

On April 21, 2023, the Dy. Director of Income Tax (Inv.), Unit - 6(4), Mumbai, issued an Order of Revocation whereby certain prohibitory orders placed on March 7, 2023 on the second and third cupboards situated in the staff's sitting room at C-515, 5th Floor, 215 Atrium, Andheri-Kurla Road, Andheri East, Mumbai-400 059 during the course of search under section 132 of the Income Tax Act was revoked. The matter is pending as on date.

3. Material civil proceedings

Nil

4. Disciplinary actions by the SEBI or Stock Exchanges

Nil

5. Outstanding cases before the Consumer Forum

Nil

B. Litigation filed by our Company

1. Criminal proceedings

Nil

2. Material civil proceedings

Nil

C. Tax proceedings

| | | | <i>(in ₹)</i> |
|--------------------|------------------------|----------------------------------|---------------|
| Particulars | Number of cases | Aggregate amount involved | |
| Direct Tax | Nil | Nil | |
| Indirect Tax | Nil | Nil | |
| Total | Nil | Nil | |

II. Litigation involving our Directors

A. Litigation filed against our Directors

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

i. Panchnama issued by DDIT (Inv.) Unit -6(3) dated March 7, 2023

For details, please see, "Litigation involving our Company – Litigation filed against our Company – Outstanding actions by regulatory and statutory authorities" on page 258 of this Prospectus.

3. Material civil proceedings

Nil

4. Disciplinary actions by the SEBI or Stock Exchanges

Nil

B. Litigation filed by our Directors

1. Criminal proceedings

i. S. Ranganathan vs. Mr. Mehul Vinod Mehta - C. C. No. 1689/SS/2019

S. Ranganathan ("**Complainant**") filed criminal complaint case bearing number 1689/SS/2019 against Mehul Vinod Mehta ("**Accused**") under section 138 of the Negotiable Instruments Act, 1881 before the Hon'ble Metropolitan Magistrate, Esplanade Court at Mumbai for dishonour of cheque. The Accused requested the Complainant for a personal loan of ₹ 10,00,000 with a promise of returning the same within a period of 15 days. The Complainant lent him ₹ 10,00,000 vide a cheque bearing number 996064 dated February 1, 2018. However, the Accused failed to repay the loan within 15 days. Between August 1, 2018 to May 4, 2019, the Accused made several repayments amounting to an aggregate of ₹ 3,95,000. The Accused also issued to the Complainant a cheque bearing number 206279 dated April 26, 2019 for sum of ₹ 1,00,000 ("**First Cheque**"). However, upon presenting the said cheque to the bank, it was dishonoured and returned to the Complainant with the remark "Insufficient Funds". The Complainant then lodged a written complaint dated June 7, 2019 with the Bandra Kurla Complex Police Station for dishonour of the First Cheque. However, no further action has been taken so far by the Bandra Kurla Complex Police Station against the same.

The Accused subsequently issued another cheque bearing number 206280 dated June 10, 2019 for a sum of ₹ 2,50,000 ("**Second Cheque**") in favour of the Complainant. The Second Cheque, upon being presented to the bank, was also dishonoured and returned to the Complainant with the remark "Insufficient Funds". Hence, the Complainant filed this criminal complaint before the Hon'ble Metropolitan Magistrate, Esplanade Court at Mumbai for dishonour of the Second Cheque. The matter is presently pending.

2. Material civil proceedings

Nil

C. Tax proceedings

| | | | <i>(in ₹)</i> |
|--------------------|------------------------|----------------------------------|---------------|
| Particulars | Number of cases | Aggregate amount involved | |
| Direct Tax | Nil | Nil | |
| Indirect Tax | Nil | Nil | |
| Total | Nil | Nil | |

III. Litigation involving our Promoters

A. Litigation filed against our Promoters

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

i. Panchnama issued by DDIT (Inv.) Unit -6(3) dated March 7, 2023

For details, please see, "Litigation involving our Company – Litigation filed against our Company – Outstanding actions by regulatory and statutory authorities" on page 258 of this Prospectus.

3. Material civil proceedings

Nil

4. Disciplinary actions by the SEBI or Stock Exchanges

Nil

B. Litigation filed by our Promoters

1. Criminal proceedings

Nil

2. Material civil proceedings

Nil

C. Tax proceedings

| | | | <i>(in ₹)</i> |
|--------------------|------------------------|----------------------------------|---------------|
| Particulars | Number of cases | Aggregate amount involved | |
| Direct Tax | Nil | Nil | |
| Indirect Tax | Nil | Nil | |
| Total | Nil | Nil | |

IV. Material Litigations involving our Subsidiaries

A. *Litigation filed against our Subsidiaries*

1. **Criminal proceedings**

Nil

2. **Outstanding actions by regulatory and statutory authorities**

Nil

3. **Material civil proceedings**

Nil

4. **Disciplinary actions by the SEBI or Stock Exchanges**

Nil

5. **Outstanding cases before the Consumer Forum**

Nil

B. *Litigation filed by our Subsidiaries*

1. **Criminal proceedings**

Nil

2. **Material civil proceedings**

Nil

C. *Tax proceedings*

| | | | <i>(in ₹)</i> |
|--------------------|------------------------|----------------------------------|---------------|
| Particulars | Number of cases | Aggregate amount involved | |
| Direct Tax | Nil | | Nil |
| Indirect Tax | Nil | | Nil |
| Total | Nil | | Nil |

Outstanding dues to creditors

As per the Restated Consolidated Financial Statements, 5% of our trade payables as at December 31, 2022 was ₹ 47.14 and accordingly, creditors as on December 31, 2022, to whom outstanding dues exceed ₹ 47.14 have been considered as material creditors for the purposes of disclosure in the Prospectus.

Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors by our Company, are set out below and the disclosure of the same is available on the website of our Company at <https://www.proventusagro.com/investors>:

| | | | <i>(₹ in Lakhs)</i> |
|-------------------------------------|----------------------------|------------------------|---------------------|
| Type of creditors | Number of creditors | Amount involved | |
| Material creditors | 6 | | 443.57 |
| Micro, Small and Medium Enterprises | Nil | | Nil |
| Other creditors | 161 | | 499.28 |
| Total | 167 | | 942.85 |

Material Developments

Other than as stated in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Material Developments subsequent to December 31, 2022" on page 252 of this Prospectus,

there have not arisen, since the date of the last financial information disclosed in this Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER STATUTORY APPROVALS

We have set out below an indicative list of approvals obtained by our Company and our Subsidiary which are considered material and necessary for the purpose of undertaking its business activities. In view of these key approvals, our Company can undertake this Offer and its business activities. In addition, certain of our key approvals may expire in the ordinary course of business and our Company will make applications to the appropriate authorities for renewal of such key approvals, as necessary. Unless otherwise stated herein and in the section "Risk Factors" beginning on page 25 of this Prospectus, these material approvals are valid as of the date of this Prospectus. For details in connection with the regulatory and legal framework within which we operate, see "Key Regulations and Policies" on page 126 of this Prospectus.

Our Company was converted to a public limited company and the name of our Company changed to 'Proventus Agrocom Limited' and a fresh certificate of incorporation dated March 21, 2023 was issued by the RoC. The CIN of our Company is U74999MH2015PLC269390. Our Company is in the process to submit necessary application(s) with all regulatory authorities for change of its name in the approvals, licenses, registrations and permits issued to our Company.

I. Material approvals obtained in relation to the Offer

- (1) The Board of Directors has, pursuant to a resolution passed at its meeting held on April 12, 2023, authorized the Offer, subject to the approval of the shareholders of the Company under Section 62 of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.
- (2) The shareholders of the Company have, pursuant to a special resolutions passed in the shareholders meeting held on April 13, 2023, authorized the Offer under Section 62 of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.
- (3) The Company has obtained the in-principle listing approval from the SME platform of NSE, NSE Emerge dated May 15, 2023.

II. Material approvals obtained in relation to our business and operations

Our Company and our Subsidiaries have obtained the following material approvals to carry on our business and operations. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

A. Incorporation details of our Company

- a. Certificate of incorporation dated October 20, 2015 issued to our Company by the RoC, in the name of 'Manthan Agrocom Private Limited'.
- b. Fresh Certificate of Incorporation dated December 14, 2015 issued to our Company by the RoC, pursuant to the change in the name of our Company from 'Manthan Agrocom Private Limited' to 'Proventus Agrocom Private Limited'.
- c. Fresh Certificate of Incorporation dated March 21, 2023 issued to our Company by the RoC, pursuant to the conversion of our Company from private limited to public limited and the ensuing change in the name of our Company from 'Proventus Agrocom Private Limited' to 'Proventus Agrocom Limited'.

B. Tax related approvals obtained by our Company

| No. | Nature of Registration/ License | Registration/ License No. | Issuing Authority | Date of Issue / Renewal | Date of Expiry |
|-----|---------------------------------|---------------------------|-----------------------|-------------------------|--|
| 1. | Permanent Account Number | AAJCM9814C | Income Tax Department | October 20, 2015 | Valid from October 20, 2015 till cancelled |

| No. | Nature of Registration/ License | Registration/ License No. | Issuing Authority | Date of Issue / Renewal | Date of Expiry |
|-----|--|---------------------------|-----------------------------------|-------------------------|---|
| 2. | TAN (Tax Deduction Account Number) | MUMM47828E | Income Tax Department | May 2016 | 31, Valid from May 31, 2016 till cancelled |
| 3. | GST Registration Certificate – Mumbai | 27AAJCM9814C1ZD | Goods And Services Tax Department | May 2023 | 09, Valid from May 9, 2023 till cancelled |
| 4. | Professional Tax Certificate of Registration – Maharashtra | 27501203443P | Maharashtra Sales Tax Department | June 2016 | 18, Valid from June 18, 2016 till cancelled |
| 5. | Professional Tax Certificate of Enrolment – Maharashtra | 99293121467P | Maharashtra Sales Tax Department | June 2016 | 18, Valid from June 18, 2016 till cancelled |
| 6. | GST Registration Certificate – Delhi | 07AAJCM9814C1ZF | Goods And Services Tax Department | May 2023 | 02, Valid from May 2, 2023 till cancelled |
| 7. | GST Registration Certificate – Madhya Pradesh | 23AAJCM9814C1ZL | Goods And Services Tax Department | May 2023 | 12, Valid from May 12, 2023 till cancelled |
| 8. | GST Registration Certificate – Rajasthan | 08AAJCM9814C1ZD | Goods And Services Tax Department | May 2023 | 16, Valid from June 17, 2020 till cancelled |
| 9. | GST Registration Certificate – Gujarat | 24AAJCM9814C1ZJ | Goods And Services Tax Department | May 2023 | 11, Valid from May 11, 2023 till cancelled |

C. Regulatory approvals of our Company

| No. | Nature of Registration/ License | Registration/ License No. | Issuing Authority | Date of Issue | Date of Expiry |
|-----|--|---------------------------|--|------------------|--|
| 1. | Registration Certificate of Establishment – Mumbai | 820285819 | Chief Inspector, Shops and Establishments - Mumbai | May 9, 2023 | Valid from May 9, 2023 till cancelled |
| 2. | Intimation Receipt under Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Rules, 2018 | 101509072303 | Shop Inspector Office, Vashi | February 8, 2023 | Valid from February 8, 2023 till cancelled |
| 3. | Provident Fund Code Number | KDMAL195481 2000 | Employees' Provident Fund Organisation | April 26, 2019 | Valid from April 26, 2019 till cancelled |

| No. | Nature of Registration/ License | Registration/ License No. | Issuing Authority | Date of Issue | Date of Expiry |
|-----|---|------------------------------|--|-----------------------|---|
| 4. | ESIC – Registration Code – Mumbai | 3500069459000 1099 | Assistant/ Deputy Director, Regional Office – Mumbai | October 14, 2022 | Valid from October 14, 2022 till cancelled |
| 5. | APMC License | 3354148 | APMC, Mumbai | March 27, 2023 | March 31, 2024 |
| 6. | Certificate of Importer - Exporter Code | 0316916706 | Additional Director General of Foreign Trade, Ministry of Foreign Trade, Mumbai, Ministry of Commerce and Industry | June 9, 2016 | Valid from June 9, 2016 till cancelled |
| 7. | Registration- Cum-Membership Certificate - Agricultural and Processed Food Products Export Development Authority | 207950 | Ministry of Commerce and Industry, Government of India | March 1, 2021 | Valid from March 1, 2021 till February 28, 2026 |
| 8. | Food Safety and Standards License, Mumbai | 1001602200535 5 | Food and Safety Authority of India | August 3, 2021 | Valid from August 3, 2021 till August 25, 2026 |
| 9. | Food Safety and Standards License, Rajasthan | 1222199900014 0 | Food and Safety Authority of India | August 18, 2021 | Valid from August 18, 2021 till August 17, 2026 |
| 10. | Food Safety and Standards License, Mumbai | 1001702200680 5 | Food and Safety Authority of India | September 29, 2018 | Valid from September 29, 2018 till September 28, 2023 |
| 11. | Legal Entity Identifier | 335800U1L9GS MEDFW386 | Legal Entity Identifier India Limited | August 5, 2022 | August 5, 2023 |
| 12. | Authorized Economic Operator Certificate (Importer) | INAAJCM9814 C1F226 | Central Board of Indirect Taxes and Customs, Ministry of Finance | November 1, 2022 | Valid from November 1, 2022 till cancelled |
| 13. | Udyog Aadhar Memorandum | MH19B014173 3 | Ministry of Micro, Small and Medium Enterprises, Government of India | February 21, 2020 | Valid from February 21, 2020 till cancelled |

| No. | Nature of Registration/ License | Registration/ License No. | Issuing Authority | Date of Issue | Date of Expiry |
|-----|--|---|---|-------------------|---|
| 14. | Certificate of Verification - The Legal Metrology Act, 2009 and The Maharashtra Legal Metrology (Enforcement) Rule, 2011 | LCR No. - CLM08624585 Sr. No. - 9120220922541 6 | Inspector of Legal Metrology, Vashi - 1 | December 21, 2022 | Valid from December 21, 2022 till December 20, 2023 |
| 15. | Certificate of Verification - The Legal Metrology Act, 2009 and The Maharashtra Legal Metrology (Enforcement) Rule, 2011 | LCR No. - CLM08624585 Sr. No. - 9120220922541 7 | Inspector of Legal Metrology, Vashi - 1 | December 21, 2022 | Valid from December 21, 2022 till December 20, 2023 |
| 16. | Certificate of Verification - The Legal Metrology Act, 2009 and The Maharashtra Legal Metrology (Enforcement) Rule, 2011 | LCR No. - CLM08624585 Sr. No. - 9120220922541 5 | Inspector of Legal Metrology, Vashi - 1 | December 21, 2022 | Valid from December 21, 2022 till December 20, 2023 |
| 17. | Certificate of Verification - The Legal Metrology Act, 2009 and The Maharashtra Legal Metrology (Enforcement) Rule, 2011 | LCR No. - CLM08624585 Sr. No. - 9120220922233 7 | Inspector of Legal Metrology, Vashi - 1 | May 17, 2022 | Valid from May 17, 2022 till May 16, 2023 |
| 18. | Certificate of Registration - The Legal Metrology (Packaged Commodities), Rules 2011 | GOI/MH/2021/1484 | Deputy Director Legal Metrology, Ministry of Consumer Affairs, Food and Public Distribution | June 18, 2021 | Valid from June 18, 2021 till cancelled |
| 19. | Certificate of Registration | MUMUMP001428 | Maharashtra Labour Welfare Board, Government of Maharashtra | October 14, 2022 | Valid from October 14, 2022 till cancelled |

III. Incorporation details and regulatory approvals of our Subsidiaries

1. ProV Foods Private Limited

A. Incorporation details of our Subsidiary

- a. Certificate of incorporation dated November 25, 2019 issued to ProV Foods Private Limited by the RoC, in the name of 'ProV Foods Private Limited'.

B. Tax related approvals obtained by our Company

| No. | Nature of Registration/ License | Registration/ License No. | Issuing Authority | Date of Issue / Renewal | Date of Expiry | of |
|-----|--|------------------------------|-----------------------------------|----------------------------|--|----|
| 1. | Permanent Account Number | AAKCP8919N | Income Tax Department | November 25, 2019 | Valid from November 25, 2019 till cancelled | |
| 2. | TAN (Tax Deduction Account Number) | MUMP42402D | Income Tax Department | November 26, 2019 | Valid from November 26, 2019 till cancelled | |
| 3. | Professional Tax – Certificate of Registration – Maharashtra | 27711742211P | Maharashtra Sales Tax Department | February 27, 2021 | Valid from February 27, 2021 till cancelled | |
| 4. | Professional Tax – Certificate of Enrolment – Maharashtra | 99403336892P | Maharashtra Sales Tax Department | April 1, 2019 | Valid from April 1, 2019 till cancelled | |
| 5. | GST Registration Certificate – Mumbai | 27AAKCP8919N1ZI | Goods And Services Tax Department | September 24, 2022 | Valid from September 24, 2022 till cancelled | |
| 6. | GST Registration Certificate – Chennai | 33AAKCP8919N1ZP | Goods And Services Tax Department | August 30, 2022 | Valid from August 30, 2022 till cancelled | |
| 7. | GST Registration Certificate – Karnataka | 29AAKCP8919N1ZE | Goods And Services Tax Department | August 11, 2022 | Valid from August 11, 2022 till cancelled | |
| 8. | GST Registration Certificate – Rajasthan | 08AAKCP8919N1ZI | Goods And Services Tax Department | August 29, 2022 | Valid from August 29, 2022 till cancelled | |
| 9. | GST Registration Certificate – Surat | 24AAKCP8919N1ZO | Goods And Services Tax Department | August 2, 2022 | Valid from August 2, 2022 till cancelled | |

C. Regulatory approvals of our Subsidiary

| No. | Nature of Registration/ License | Registration/ License No. | Issuing Authority | Date of Issue | Date of Expiry | of |
|-----|--|------------------------------|---|------------------|--|----|
| 1. | Factory License located at Gen 71/2, TTC Industrial Area, Mahape, Navi Mumbai, Mumbai 400701, Maharashtra, India | 12170107990P-03 | Directorate of Industrial Safety and Health | October 21, 2022 | Valid from October 21, 2022 till December 31, 2025 | |
| 2. | Consent to Operate | 0000150891/CR/2211000180 | Maharashtra Pollution Control Board | November 3, 2022 | Valid from November 3, 2022 till | |

| No. | Nature of Registration/ Registration/ License | of License No. | Registration/ License No. | Issuing Authority | Date of Issue | Date of Expiry |
|-----|--|-------------------|---|---|-------------------|---|
| | | | | | | December 31, 2025 |
| 3. | Registration Certificate of Establishment – Mumbai | | 890559708 | Chief Inspector, Shops and Establishments - Mumbai | February 02, 2022 | Valid from February 02, 2022 till cancelled |
| 4. | Certificate of registration as principal employer under Contract Labour (Regulation and Abolition) Act, 1970 | | 2310200710024 542 | Office of the Registering Officer, Thane, Govt of Maharashtra | April 01, 2023 | Valid from April 01, 2023 till December 31, 2023 |
| 5. | Certificate of Importer - Exporter Code | | AAKCP8919N | Additional Director General of Foreign Trade, Ministry of Foreign Trade, Mumbai | January 3, 2020 | Valid from January 3, 2020 till cancelled |
| 6. | UDYAM Registration Certificate | | UDYAM-MH-18-0023288 | Ministry of Micro, Small and Medium Enterprises, Government of India | November 4, 2020 | Valid from November 4, 2020 till cancelled |
| 7. | Udyog Aadhar Memorandum | | MH18B021086 8 | Ministry of Micro, Small and Medium Enterprises, Government of India | May 19, 2020 | Valid from May 19, 2020 till cancelled |
| 8. | Food Safety and Standards License, Mumbai | | 1002002201141 1 | Food and Safety Authority of India | February 9, 2022 | Valid from February 9, 2022 till March 26, 2027 |
| 9. | Legal Entity Identifier | | 335800IZ9HFE RY38DJ54 | Legal Entity Identifier India Limited | August 20, 2022 | Valid from August 20, 2022 till August 20, 2023 |
| 10. | Food Safety System Certification 22000 | | IRQS/22060- A1069 | Indian Register Quality Systems, IRCLASS | October 28, 2022 | Valid from October 28, 2022 till October 27, 2025 |
| 11. | Certificate of Verification - The Legal Metrology Act, 2009 and The Maharashtra Legal Metrology (Enforcement) Rule, 2011 | | LCR No. - CLM08624585 Sr. No. - 9120230922705 8 | Inspector of Legal Metrology, Vashi – 1 | March 21, 2023 | Valid from March 21, 2023 till March 20, 2024 |
| 12. | Certificate of Verification - The Legal | | LCR No. - CLM08624585 Sr. No. - | Inspector of Legal Metrology, | March 21, 2023 | Valid from March 21, 2023 till March 20, |

| No. | Nature of Registration/ License | Registration/ License No. | Issuing Authority | Date of Issue | Date of Expiry |
|-----|--|------------------------------|---|------------------|--|
| | Metrology Act, 2009 and The Maharashtra Legal Metrology (Enforcement) Rule, 2011 | 9120230922705 9 | Vashi – 1 | | 2024 |
| 13. | Certificate of Registration – The Legal Metrology (Packaged Commodities), Rules 2011 | GOI/MH/2021/1485 | Deputy Director Legal Metrology, Ministry of Consumer Affairs, Food and Public Distribution | June 18, 2021 | Valid from June 18, 2021 till cancelled |
| 14. | Certificate of Registration | MUMUMP001431 | Maharashtra Labour Welfare Board, Government of Maharashtra | October 14, 2022 | Valid from October 14, 2022 till cancelled |
| 15. | Consent to Establish under Green Category for factory located at Plot No. A-793, T.T.C. Industrial Area, M.I.D.C., Khairane, Navi Mumbai, Thane - 400709, Maharashtra, India | 0000168511/CE /2304001662 | Maharashtra Pollution Control Board | April 25, 2023 | Till date of commissioning or 5 years whichever is earlier |
| 16. | Consent to 1st operate under Green Category for factory located at Plot No. A-793, T.T.C. Industrial Area, M.I.D.C., Khairane, Navi Mumbai, Thane - 400709, Maharashtra, India | 0000169410/CO /2305000292 | Maharashtra Pollution Control Board | May 04, 2023 | April 30, 2026 |

Note: ProV Foods Private Limited has obtained the consent to establish for its factory located at Gen 71/2, TTC Industrial Area, Mahape, Navi Mumbai, Mumbai - 400701, Maharashtra, India from the Maharashtra Pollution Control Board. However, it is unable to trace a copy of the same. For further details please see "Risk Factors" beginning on page 25 of this Prospectus.

D. Applications applied for but not received

Regulatory approvals of our Subsidiary for its proposed new facility at Plot No. A-793, T.T.C. Industrial Area, M.I.D.C., Khairane, Navi Mumbai, Thane - 400709, Maharashtra, India

- (i) Application under Form 1 bearing number 100027602321 dated April 14, 2023 for obtaining factory license under the Factories Act, 1948.

- (ii) Application bearing number 10230407104655450 dated April 14, 2023 for change of address on Food Safety and Standards License from 'Gen 71/2, TTC Industrial Area, Mahape, Navi Mumbai, Mumbai - 400701, Maharashtra, India' to 'Plot No. A-793, T.T.C. Industrial Area, M.I.D.C., Khairane, Navi Mumbai, Thane - 400709, Maharashtra, India.'

2. Proventus Retail Private Limited

A. Incorporation details of our Subsidiary

- a. Certificate of incorporation dated December 21, 2015 issued to Proventus Retail Private Limited by the RoC, in the name of 'JMD Holdings Private Limited'.
- b. Fresh Certificate of Incorporation dated December 6, 2016 issued to Proventus Retail Private Limited by the RoC, pursuant to the change in the name of our Company from 'JMD Holdings Private Limited' to 'Proventus Retail Private Limited'.

B. Tax related approvals obtained by our Company

| No. | Nature of Registration/ License | Registration/ License No. | Issuing Authority | Date of Issue / Renewal | Date of Expiry |
|-----|--|---------------------------|-----------------------------------|-------------------------|---|
| 1. | Permanent Account Number | AADCJ6268K | Income Tax Department | December 21, 2015 | Valid from December 21, 2015 till cancelled |
| 2. | TAN (Tax Deduction Account Number) | MUMJ18752G | Income Tax Department | January 06, 2018 | Valid from January 06, 2018 till cancelled |
| 3. | GST Registration Certificate – Mumbai | 27AADCJ6268K1Z3 | Goods And Services Tax Department | June 10, 2022 | Valid from June 10, 2022 till cancelled |
| 4. | GST Registration Certificate – Rajasthan | 08AADCJ6268K1Z3 | Goods And Services Tax Department | June 22, 2020 | Valid from June 22, 2020 till cancelled |
| 5. | GST registration Certificate – Gujarat | 24AADCJ6268K1Z9 | Goods and Services Tax Department | December 17, 2019 | Valid from December 17, 2019 |

C. Regulatory approvals of our Subsidiary

| No. | Nature of Registration/ License | Registration/ License No. | Issuing Authority | Date of Issue | Date of Expiry |
|-----|--|---------------------------|---|-------------------|---|
| 1. | Registration Certificate of Establishment – Mumbai | 890559596 | Chief Inspector, Shops and Establishments - Mumbai | February 02, 2022 | Valid from February 02, 2022 till cancelled |
| 2. | Certificate of Importer Exporter Code | AADCJ6268K | Additional Director General of Foreign Trade, Ministry of Foreign Trade, Mumbai | July 17, 2019 | Valid from July 17, 2019 till cancelled |

| No. | Nature of Registration/ License | Registration/ License No. | Issuing Authority | Date of Issue | Date of Expiry |
|-----|---|------------------------------|--|------------------|--|
| 3. | Food Safety and Standards License, Mumbai | 1001902201005 6 | Food and Safety Authority of India | January 22, 2022 | Valid from January 22, 2022 till August 29, 2024 |
| 4. | Food Safety and Standards License, Mumbai | 1151800500108 2 | Food and Safety Authority of India | April 3, 2021 | Valid from April 3, 2021 till July 10, 2023 |
| 5. | Udyog Aadhar Memorandum | MH18E021088 3 | Ministry of Micro, Small and Medium Enterprises, Government of India | May 19, 2020 | Valid from May 19, 2020 till cancelled |

IV. Material approvals or renewals for which applications are currently pending before relevant authorities

1. Prov Foods Private Limited

(iii) Application dated April 5, 2023 for provisional Fire NOC under the Maharashtra Fire Prevention and Life Safety Measures Act, 2006 for our factory situated at Gen 71/2, TTC Industrial Area, Mahape, Navi Mumbai, Mumbai - 400701, Maharashtra, India.


2. Proventus Retail Private Limited

(i) Application dated February 22, 2023 has been made change in name from "JMD Holding Private Limited" to "Proventus Retail Private Limited" on the Professional Tax Enrollment Certificate bearing number 99143085514P and Professional Tax Registration Certificate bearing number 27221452305P.

V. Our Company and its Material Subsidiaries have established a few fulfilment centres in a few states for the purpose of carrying out sales operations directly in such states. These fulfilment centres are not material for operation of our business and have been established only to meet the criteria set out by some of our clients / e-commerce players and neither our Company nor our Material Subsidiaries employ any person at such fulfilment centres. Our Company has, therefore, not obtained registrations under the laws governing local shops and establishments.

VI. Intellectual Property





As on the of this Prospectus, our Company and our Subsidiaries has registered various trademarks under various classes with the Registrar of Trademarks under the Trademarks Act. These include:

| Date of Issue | Trademark Holder | Trademark no. | Classes of Registration | Trade Mark |
|-------------------|-----------------------------------|---------------|-------------------------|---|
| January 14, 2016 | Proventus Agrocom Private Limited | 3159737 | 14 | "PROVENTUS" |
| January 14, 2016 | Proventus Agrocom Private Limited | 3159738 | 16 | "PROVENTUS" |
| December 16, 2021 | Proventus Agrocom Private Limited | 5248786 | 16 |  |
| December 16, 2021 | Proventus Agrocom Private Limited | 5248791 | 16 | "PROV" |

| Date of Issue | Trademark Holder | Trademark no. | Classes of Registration | Trade Mark |
|--------------------|-----------------------------------|---------------|-------------------------|-------------|
| January 14, 2016 | Proventus Agrocom Private Limited | 3159740 | 29 | "PROVENTUS" |
| September 17, 2016 | Proventus Agrocom Private Limited | 3364369 | 29 | "PROV" |
| September 17, 2016 | Proventus Agrocom Private Limited | 3364380 | 30 | "PROV" |
| January 14, 2016 | Proventus Agrocom Private Limited | 3159741 | 31 | "PROVENTUS" |
| January 14, 2016 | Proventus Agrocom Private Limited | 3159742 | 35 | "PROVENTUS" |
| September 17, 2016 | Proventus Agrocom Private Limited | 3364381 | 35 | "PROV" |
| January 14, 2016 | Proventus Agrocom Private Limited | 3159743 | 36 | "PROVENTUS" |
| December 16, 2021 | Proventus Agrocom Private Limited | 5248792 | 38 | "PROV" |
| January 14, 2016 | Proventus Agrocom Private Limited | 3159739 | 30 | "PROVENTUS" |
| January 14, 2016 | Proventus Agrocom Private Limited | 3159744 | 39 | "PROVENTUS" |

Note: On March 17, 2023, we have issued a cease and desist notice to M/s ProV27 Foods located at 304, Sai Saran Apts, Ananad Nagar Colony, Kharitabad, Hyderabad 500004 for infringement of our registered trademark 'PROV' under the Trade Marks Act, 1999. Further, on April 28, 2023 we have issued a reminder notice in continuation to our notice dated March 17, 2023. We are yet to receive a reply to our notices dated March 17, 2023 and April 28, 2023 from M/s ProV27 Foods.

Pending Intellectual property related approvals Application

| Application Number | Trademark Status | Application and | Classes of Registration | Trade Mark |
|--------------------|------------------|-----------------|-------------------------|---|
| 5248787 | Objected | | 29 |  |
| 5248788 | Objected | | 30 |  |
| 5248789 | Objected | | 31 |  |
| 5248790 | Objected | | 38 |  |

For risk associated with our intellectual property please see, "**Risk Factors**" on page 25 of this Prospectus.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

This Offer in terms of this Prospectus has been authorized by the Board of Directors pursuant to a resolution dated April 12, 2023 and by the shareholders pursuant to a special resolution in an Extra-Ordinary General Meeting held on April 13, 2023 under section 62 of the Companies Act, 2013.

The Details of Selling Shareholders are as follows:

| Name of the Selling Shareholder | Category | No. of Equity Shares proposed to be offered | Date of Selling Shareholder Consent |
|-----------------------------------|------------------------------|---|-------------------------------------|
| Shree JMD Investment Advisors LLP | Promoter Selling Shareholder | 1,02,147 | April 12, 2023 |
| Shalin Sanjiv Khanna | Promoter Selling Shareholder | 4,998 | April 12, 2023 |
| Sanjiv Jagdish Khanna | Promoter Selling Shareholder | 8,000 | April 12, 2023 |
| Guruprasad Rao | Other Selling Shareholder | 95,001 | April 12, 2023 |
| Manish Bhagchand Jain HUF | Other Selling Shareholder | 20,001 | April 12, 2023 |

Our Board has approved this Prospectus pursuant to their resolution dated May 17, 2023. The disclosure in the Prospectus is made in accordance with Part A of the Schedule VI to the SEBI ICDR Regulations.

Each of the Selling Shareholders have, severally and not jointly, authorized and confirmed the transfer of its respective portion of the Offered Shares pursuant to the Offer for Sale, as disclosed above.

In-principle Approval:

Our Company has obtained in-principle approval from the SME Platform of National Stock Exchange of India Limited pursuant to letter dated NSE/LIST/2315 dated May 15, 2023. NSE is the Designated Stock Exchange.

Prohibition by the SEBI or other Governmental Authorities

Our Company, our Promoters, our Promoter Group, our Directors, Person in control of Promoter or Selling Shareholder have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other securities market regulator in any other jurisdiction of any other regulatory or government authorities or court.

The listing of any securities of our Company has never been refused by any of the Stock Exchange in India.

None of our Directors are associated with the securities market and there are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which our director was associated have been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

Association with Securities Market

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

Prohibition by RBI

Neither our Company, our Promoters, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter or fraudulent borrower by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter "Outstanding Litigations and Material Development" beginning on page 257 of the Prospectus.

Prohibition with respect to wilful defaulters or a fraudulent borrower

Neither our Company, our Promoters, our Directors, Group companies, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as wilful defaulters or a fraudulent borrower as defined by the SEBI ICDR Regulations, 2018.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoter, Promoter Group and the Selling Shareholders are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of the Prospectus.

Eligibility for the Offer

Our Company is eligible in terms of Regulations 229 of SEBI ICDR Regulations for this Offer.

Our Company is eligible for the Offer in accordance with the Regulation 229(1) of Chapter IX of the SEBI ICDR Regulations, whereby, an Issuer whose post offer paid-up capital is less than ten crore rupees. Our Company shall offer shares to the public and has proposed to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE).

As per Regulation 229(3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE in accordance with the Restated Consolidated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations.

We confirm that:

1. In accordance with Regulation 260 of the SEBI ICDR Regulations, this Offer will be 100% underwritten and shall not restrict to the minimum subscription level. The Lead Manager shall underwrite at least 15% of the total Offer size. For further details pertaining to underwriting please refer to section titled “General Information” beginning on page 58 of this Prospectus.
2. In accordance with Regulation 268(1) of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Offer is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
3. In terms of Regulation 246(5) of the SEBI ICDR Regulations, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Prospectus.
4. In accordance with Regulation 261(1) of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory market making for the minimum period of three years from the date of listing of equity shares offered in this offer. For further details of the market making arrangement see section titled “General Information” beginning on page 58 of this Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an offer under Chapter IX of SEBI ICDR Regulations, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

1. Our Company was incorporated on October 20, 2015, under the Companies Act, 2013 with the Registrar of Companies, Mumbai, Maharashtra.
2. As on the date of this Draft Prospectus, our Company has a total paid-up capital of ₹ 2,75,57,680 comprising of 27,55,768 Equity Shares and the Post offer Capital will be ₹ 3,42,76,210 comprising 34,27,621 Equity Shares which shall be below ₹ 25 crores.
3. The Company confirms that it has track record of more than 3 years.

4. The Company confirms that it has operating profits (earnings before interest, depreciation and tax) from operations for at least 2 financial year preceding the application and its net-worth as on December 31, 2022 and March 31, 2022, 2021 and 2020 is positive.

(₹ in Lakhs)

| Particulars | December 31, 2022 | March 31, 2022 | March 31, 2021 | March 31, 2021 |
|---------------------------|-------------------|----------------|----------------|----------------|
| Consolidated | | | | |
| Net worth | 5,483.31 | 5,282.75 | 5,160.50 | 4,979.58 |
| Operating Profit (EBITDA) | 400.33 | 349.91 | 310.51 | (2,167.47) |

5. Our Company shall mandatorily facilitate trading in Demat securities for which we have entered into an agreement with the Central Depository Services Limited (CDSL) dated January 30, 2023 and National Securities Depository Limited dated January 27, 2023 for establishing connectivity.
6. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
7. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
8. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
9. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters and companies promoted by the promoters of the company.
10. The directors of the Issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years.
11. There has been no change in the promoters of the Company in the preceding one year from date of filing application to NSE for listing on NSE EMERGE.
12. Our Company has a website i.e. www.proventusagro.com

Other Disclosures:

1. We have Disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters / promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company in the Prospectus.
2. There are no Defaults in respect of payment of interest and / or principal to the debenture / bond / fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters / promoting company(ies) during the past three years except as mentioned in chapter titled “Outstanding Litigations and Material Developments” beginning on page 257 of the Prospectus.
3. We have Disclosed the details of the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters / promoting company(ies) litigation record, the nature of litigation, and status of litigation. For details, please refer the chapter “Outstanding Litigations & Material Developments” on page 257 of this Prospectus.
4. We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of Issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter “Outstanding Litigations & Material Developments” on page 257 of this Prospectus.

As per Regulation 230(1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on NSE EMERGE. NSE is the Designated Stock Exchange.
- Our Company has entered into an agreement dated January 27, 2023 with NSDL and agreement dated January 30, 2023 with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
- The entire pre-Offer capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoters is in dematerialized form.
- Our Company has made firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the offer proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals – Not required. For details, please refer the chapter “Objects of the Offer” on page 78 of this Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoter or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter or fraudulent borrower.
- (d) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI ICDR Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, SUNDAE CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, SUNDAE CAPITAL ADVISORS PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED APRIL 17, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THE DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE PROSPECTUS.

Note:

All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai in terms of sections 26, 32 and 33 of the Companies Act.

Disclaimer from our Company, our Directors, the Selling Shareholders and the Lead Manager

Our Company, our Directors, the Selling Shareholders and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk. The Selling Shareholders accept or undertake no responsibility for any statements other than those specifically undertaken or confirmed by the Selling Shareholder in relation to itself and its Offered Shares.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Offer Agreement entered between the Lead Manager (Sundae Capital Advisors Private Limited) and our Company & Selling Shareholders on April 17, 2023 and the Underwriting Agreement dated May 17, 2023 entered into between the Underwriters, our Company and Selling Shareholders and the Market Making Agreement dated May 17, 2023 entered into among the Market Maker, our Company and Selling Shareholders.

All information shall be made available by our Company, the Selling Shareholders and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

None among the Selling Shareholders shall be liable for any failure in (i) uploading the Applications due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Applicants will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, employees and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Lead Manager and its respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in Respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law)

with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Offer will be subject to jurisdiction of the competent court(s) in Mumbai, Maharashtra

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause under the U.S. Securities Act

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Disclaimer Clause of the NSE EMERGE:

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/2315 dated May 15, 2023 permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

This Prospectus has been filed with National Stock Exchange of India Limited, Mumbai, Maharashtra, India. Pursuant to Regulation 246(5) of SEBI ICDR Regulations, 2018, the copy of the Prospectus shall also be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No.

SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 would be filled for registration to the Registrar of Companies, Mumbai.

Listing

The Equity Shares of our Company are proposed to be listed on NSE EMERGE. Our Company has obtained in-principle approval from NSE by way of its letter dated NSE/LIST/2315 dated May 15, 2023 for listing of equity shares on NSE EMERGE.

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer. If the permission to deal in and for an official quotation of the Equity Shares on the NSE EMERGE is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within the prescribed time, then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE EMERGE of NSE mentioned above are taken within Six (6) Working Days of the Offer Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the Offer Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period Subject to applicable law.

Impersonation

Attention of the Applicants is specifically drawn to the provisions 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 to action under section 447 of the Companies, Act 2013.*

Consents

Consents in writing of the Selling Shareholders, Lead Manager, Legal Advisor to the Legal Chapter, Registrar to the Offer, Market Maker, Underwriter, Banker to our Company, Banker to the Offer / Sponsor Bank, Statutory Auditor of the Company, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer and Sapient Services Private Limited, Chartered Engineer, as referred to, in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI ICDR Regulations, M/s M/s N B T and Co, Chartered Accountants, Statutory Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and Restated Consolidated Financial Statements as included in this Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Prospectus.

Experts Opinion

Except for (i) the reports in the chapter “Financial information” and “Statement of Special Tax Benefits” on page 25 and 91 of this Prospectus from the Statutory Auditor; and (ii) the report from Sapient Services Private Limited, Chartered Engineer on the average estimated annual available capacity at our production facility, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

Particulars regarding Public or Rights Issues during the last five (5) years

Our Company has not made any previous public or rights issue in India or abroad the five (5) years preceding the date of this Prospectus except as disclosed in this Prospectus.

Previous issues of Equity Shares otherwise than for cash

For detailed description please refer to section titled “Capital Structure” beginning on page 68 of this Prospectus.

Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made / Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

Performance vis-à-vis objects – Public / rights issue of our Company and / or listed Group Companies / Subsidiaries and Associates of our Company

Except as stated in the section titled “Capital Structure” beginning on page 68 of this Prospectus, our Company has not undertaken any previous public or rights issue.

None of the Group Companies / Entities or associates of our Company are listed on any stock exchange.

Performance vis-a-vis objects - Last Issue of Listed Subsidiaries/ Listed Promoters

The equity share of none of our Subsidiaries or Promoter Company are listed on any stock exchange in India.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares and other instruments

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Prospectus.

Outstanding Convertible Instruments

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

Option to Subscribe:

- a) Investors will get the allotment of specified securities in dematerialization form only.
- b) The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

Partly Paid-Up Shares

As on the date of this Prospectus, there are no partly paid-up Equity Shares of our Company.

Stock Market Data of the Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

Redressal of Investor Grievances

SEBI, by way of its circular dated March 16, 2021 (“March 2021 Circular”) and as amended by the circular dated June 2, 2021, has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Applicants for blocking of funds due to systemic issues faced by Designated Intermediaries / SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Applications made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

| Scenario | Compensation amount | Compensation period |
|--|---|--|
| Delayed unblock for cancelled / Withdrawn / deleted applications | ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher | From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock |
| Blocking of multiple amounts for the same Application made through the UPI Mechanism | 1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original Application Amount, whichever is higher | From the date on which multiple amounts were blocked till the date of actual unblock |
| Blocking more amount than the Application Amount | 1. Instantly revoke the difference amount, i.e., the blocked amount less the Application Amount; and 2. ₹ 100 per day or 15% per annum of the difference amount, whichever is higher | From the date on which the funds to the excess of the Application Amount were blocked till the date of actual unblock |
| Delayed unblock for non – Allotted/partially Allotted applications | ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher | From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock |

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Lead Manager shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the Lead Manager, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Applicants can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Applicants may also write to the Lead Manager, in the manner provided below.

All grievances in relation to the Application process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Application Form was submitted. The Applicant should give full details such as name of the sole or First Applicant, Application Form number, DP ID, Client ID, UPI ID, PAN, date of the submission of Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant.

All grievances relating to Applications submitted with Registered Brokers, may be addressed to the Stock Exchange, with a copy to the Registrar to the Offer. Further, Applicants shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Further, the Applicant shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Applicants. Our Company, the Lead Manager and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee in the meeting of our Board of Directors held on March 21, 2023. For further details on the Stakeholders Relationship Committee, please refer to chapter titled “Our Management” beginning on page 140 of this Prospectus.

Our Company has appointed Pinal Rakesh Darji, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Offer. Contact details for our Company Secretary and Compliance Officer are as follows:

Unit 515, 5th Floor, C Wing
1 MTR Cabin, Atrium, Village Mulgaon
MV Road, Andheri (East), Near Acme Plaza
Mumbai - 400 069, Maharashtra, India
Tel.: +91 22 6211 0900
E-mail: cs@proventusagro.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

Change in Auditors during the last three (3) years

Except as stated below, there have been no changes in the auditors of our Company during the three years preceding the date of this Prospectus:

| Name | Date of Change | Nature of / reason for change |
|---|-----------------------|--|
| M/s N B T and Co, Chartered Accountants | February 08, 2023 | Appointment of peer reviewed Chartered Accountant |
| M/s Mukesh Chechani & Co, Chartered Accountants | February 04, 2023 | Resignation (since the firm didn't have peer review certification) |

Capitalization of Reserves or Profits

Our Company has not capitalized its reserves or profits at any time since incorporation.

Revaluation of Assets

Our Company has not revalued its assets since incorporation.

Tax Implications

Investors who are allotted Equity Shares in the Offer will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the chapter titled "Statement of Special Tax Benefits" beginning on page 91 of this Prospectus.

Purchase of Property

Other than as disclosed in chapter "Business Overview" on page 107 of the Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Offer or the purchase or acquisition of which has not been completed on the date of the Prospectus.

Except as stated elsewhere in the Prospectus, our Company has not purchased any property in which the Promoter and / or Directors have any direct or indirect interest in any payment made there under.

Servicing Behaviour

Except as stated in this Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled "Our Management" beginning on page 140 and Related Party Transactions under chapter titled "Financial Information" beginning on page 256 of the Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

Statement on Price Information of Past Issues handled by Sundae Capital Advisors Private Limited

No public issue of equity shares has been handled by Sundae Capital Advisors Private Limited in the past.

Track Record of past issues handled by Sundae Capital Advisors Private Limited

For details regarding track record of Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: www.sundaecapital.com.

Sundae Capital Advisors Private Limited has not undertaken any public issue of Equity Shares and hence the disclosure of price information of past issues handled is not applicable.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI:

As on date of the Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

Note:

Investors who apply in the Offer will be required to confirm and will be deemed to have represented to our Company and the Underwriters 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 will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Offer.

SECTION VIII: OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI ICDR Regulations, 2018, our Memorandum and Articles of Association, the terms of the Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN), SEBI LODR Regulations and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the offer of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable.

For details in relation to Offer expenses, see “Objects of the Issue” and “Other Regulatory and Statutory Disclosures” on pages 78 and 273, respectively.

The Offer

The Offer comprises of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. Expenses for the Issue shall be shared amongst our Company and the Selling Shareholders in the manner specified in “Objects of the Issue” beginning on page 78 of this Prospectus.

Authority for the Offer

The present Public Offer of upto 9,02,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on April 12, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on April 13, 2023 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to “Main Provisions of the Articles of Association” on page 320 of the Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI LODR Regulations and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to “Dividend Policy” on page 162 of the Prospectus.

Face Value and Offer Price

The face value of each Equity Share is ₹ 10 and the Offer Price is ₹ 771 per Equity Share. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all requirements of the SEBI ICDR Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;

- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI LODR Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled “Main Provisions of the Articles of Association” beginning on page 320 of the Prospectus.

Allotment only in Dematerialized Form

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Offer:

1. Tripartite agreement dated January 27, 2023 between our Company, NSDL and the Registrar and Share Transfer Agent to the Offer.
2. Tripartite agreement dated January 30, 2023 between our Company, CDSL and the Registrar and Share Transfer Agent to the Offer.

Minimum Application Value, Market Lot and Trading Lot

The trading of the Equity Shares will happen in the minimum contract size of 160 Equity Shares and the same may be modified by the NSE EMERGE (SME Platform of NSE) from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of 160 Equity Shares and is subject to a minimum allotment of 160 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Further, in accordance with SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Minimum Number of Allottees

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in the Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be unblocked forthwith.

Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Offer is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Offer

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Offer at any time after the Offer Opening Date but before the Board meeting for Allotment. In such an event our Company would offer a public notice in the newspapers, in which the pre-offer advertisements were published, within two days of the Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Lead Manager, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Offer after the Offer Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus.

OFFER PROGRAM

| Events | Indicative Dates |
|--|-------------------------|
| Offer Opening Date | May 24, 2023 |
| Offer Closing Date | May 26, 2023 |
| Finalization of Basis of Allotment with the Designated Stock Exchange | May 31, 2023 |
| Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account* | June 01, 2023 |
| Credit of Equity Shares to Demat accounts of Allottees | June 02, 2023 |
| Commencement of trading of the Equity Shares on the Stock Exchange | June 05, 2023 |

* In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. For details refer to Section titled "Other Regulatory and Statutory Disclosure - Redressal of Investor Grievances" on page 280 of the Prospectus.

The above timetable is indicative and does not constitute any obligation on our Company, Selling Shareholders or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Offer Closing Date, the timetable may change due to various factors, such as extension of the Offer Period by our Company, revision of the Offer Price or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Offer Period (except for the Issue Closing Date). On the Offer Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicants on Offer Closing Date maybe extended in consultation with the Lead Manager, RTA and NSE EMERGE taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Application Forms on the Offer Closing Date, Applicants are advised to submit their applications one (1) day prior to the Offer Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Offer Closing Date. Any time mentioned in this Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Offer Closing Date, as is typically experienced in public Offer, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Offer.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the Lead Manager is liable for any failure in uploading the Application Forms due to faults in any software / hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Offer Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company in consultation with the Lead Manager, reserves the right to revise the Offer Price during the Offer Period.

In case of revision in the Offer Price, the Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Offer Period not exceeding 10 Working Days. Any revision in Offer Price, and the revised Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the change on the website of the Lead Manager and at the terminals of syndicate members.

Minimum Subscription

In accordance with Regulation 260(1) of the SEBI ICDR Regulations, our Fresh Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267(2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.

If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriter within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI ICDR Regulations and Companies Act, 2013.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In accordance with SEBI ICDR Regulations, the minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the amounts in the ASBA Account shall be unblocked forthwith.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of 160 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.

Application by Eligible NRIs, FPIs or VCFs registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

As per the extent Guidelines of the Government of India, OCBs cannot participate in this Offer.

The current provisions of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for lock-in of the Pre Offer Equity Shares and Promoter minimum contribution in the Offer as detailed in the section titled "Capital Structure" beginning on page 68 of the Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer sub-heading "Main Provisions of the Articles of Association" on page 320 of the Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

Allotment of Securities in Dematerialised Form

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

Migration to Main Board

In accordance with the SEBI ICDR Regulations and circular issued in this regard, our Company will have to be mandatorily listed and traded on the NSE EMERGE of the NSE for a minimum period of 3 (Three) years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI ICDR Regulations.

As per the provisions of the Chapter IX of the SEBI ICDR Regulation, our Company may migrate to the main board of NSE from the NSE EMERGE on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above ₹ 25 Crore by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board or
- If the Paid-Up Capital of our Company is more than ₹10.00 Crore and up to ₹25.00 Crore, our company may still apply for migration to the Main Board. If our Company fulfils the eligibility criteria for listing laid down by the Main Board of NSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares offered through this Offer are proposed to be listed on the SME platform of NSE, wherein the Lead Manager to this Offer shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of NSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to “General Information - Details of the Market Making Arrangements for this Offer” on page 64 of the Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Offer size in the following manner:

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

Further, the Market Maker shall give (2) Two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) All Editions of English National Newspaper, Business Standard; (ii) All editions of Hindi National Newspaper, Business Standard and (iii) Mumbai edition of Regional Newspaper, Mumbai Lakshadeep, each with wide circulation. In the pre-Issue advertisement, we shall state the Offer Opening Date and the Offer Closing Date and the Offer Price along with necessary details subject to Regulation 250 of SEBI ICDR Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts / authorities in Mumbai. The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

OFFER STRUCTURE

This Offer is being made in terms of Regulation 229(1) of Chapter IX of SEBI ICDR Regulations, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is less than ₹ 10 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of NSE i.e. NSE EMERGE). For further details regarding the salient features and terms of such an offer please refer chapter titled “Terms of the Offer” and “Offer Procedure” on page 285 and 295 of the Prospectus.

This Offer comprise of upto 9,02,000 Equity Shares of Face Value of ₹ 10 each fully paid (The “Equity Shares”) for cash at a price of ₹ 771 per Equity Share (including a premium of 761 per Equity Share) aggregating to 6,954.42 Lakhs (“the Offer”) comprising a Fresh Issue of 6,71,853 Equity Shares aggregating upto ₹ 5,179.99 Lakhs by our Company and an Offer for Sale of upto 2,30,147 Equity Shares aggregating upto ₹ 1,774.43 Lakhs by the Selling Shareholders. The Offer includes a reservation of up to 45,100 equity shares aggregating up to ₹ 347.72 lakhs for subscription by Market Maker (“Market Maker Reservation Portion”). The Offer less the Market Maker Reservation Portion is hereinafter referred to as the “Net Offer”. The Offer and the Net Offer will constitute 26.32% and 25.00% respectively of the post Offer paid up Equity Share Capital of the Company.

The Offer is being made by way of 100% Fixed Price Method.

| Particulars of the Offer | Market Maker Reservation portion | Retail Individual Investors | Other than Retail Individual Investors |
|---|---|--|--|
| Number of Equity Shares available for allocation | Up to 45,100 Equity Shares | Not more than 4,28,450 Equity Shares | Not less than 4,28,450 Equity Shares |
| Percentage of offer Size available for allocation | 5.00% of the Offer Size | 50.00% of the Net Issue shall be available for allocation | 50.00% of the Net Issue shall be available for allocation |
| Basis of Allotment | Firm Allotment | Proportionate | Proportionate subject to minimum Lot as explained in the section titled “Offer Procedure” on page 295 of this Prospectus. |
| Mode of Application | Only through the ASBA Process | ASBA only (including the UPI Mechanism) | ASBA only (including the UPI Mechanism for an application size of upto Rs 500,000) |
| Mode of allotment | Compulsorily in dematerialised form | | |
| Minimum Application Size | 45,100 Equity Shares in multiple of 160 Equity shares | Such number of Equity Shares and in multiples of 160 Equity Shares that the Application size does not exceeds ₹ 2,00,000 | Such number of Equity Shares and in multiples of 160 Equity Shares that the Application size exceeds ₹ 2,00,000 |
| Maximum Application Size | 45,100 Equity shares | Such number of Equity Shares and in multiples of 160 Equity Shares that the Application size does not exceeds ₹ 2,00,000 | Such number of Equity Shares in multiples of 160 Equity Shares not exceeding the size of the Issue, subject to limits as applicable to the Applicant |
| Trading Lot | 160 Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations | 160 Equity Shares and in multiples thereof | 160 Equity Shares and in multiples thereof |

| Particulars of the Offer | Market Maker Reservation portion | Retail Individual Investors | Other than Retail Individual Investors |
|---------------------------------|---|------------------------------------|---|
| Terms of Payment | Full Application Amount shall be blocked by the SCSBs in the bank account of the Applicant that is specified in the Application Form at the time of submission of the Application Form. | | |

1. In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI ICDR Regulations, this is an Offer for at least 25% of the post offer paid-up Equity share capital of the Company. This Offer is being made in terms of Regulation 253(2) under Chapter IX of the SEBI ICDR Regulations, 2018, as amended from time to time, which reads as under:

“In an issue made other than through the book building process, the allocation in the net offer category shall be made as follows:

(a) minimum fifty per cent to retail individual investors; and

(b) remaining to:

(i) individual applicants other than retail individual investors; and

(ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

Explanation - For the purpose of sub-regulation (2), if the retail individual investor category is entitled to more than fifty per cent. of the issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.”

2. In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.
3. In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including Retail Individual Investors applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

Withdrawal of the Offer

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Offer Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in all editions of Business Standard, English and Hindi language (a widely circulated English national daily newspaper) and Mumbai edition of Mumbai Lakshadeep (Marathi being the regional language of Mumbai, where our Registered Office is located).

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Offer Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the filing of the Prospectus with RoC.

Offer Programme:

| Events | Indicative Dates |
|---|-------------------------|
| Offer Opening Date | May 24, 2023 |
| Offer Closing Date | May 26, 2023 |
| Finalization of Basis of Allotment with the Designated Stock Exchange | May 31, 2023 |
| Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account | June 01, 2023 |
| Credit of Equity Shares to Demat accounts of Allottees | June 02, 2023 |
| Commencement of trading of the Equity Shares on the Stock Exchange | June 05, 2023 |

Applications will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Offer Period at the Bidding Centres mentioned in the Application Form.

Standardization of cut-off time for uploading of Applications on the Offer Closing Date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of Applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of Applications received from other than Retail Individual Applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of Applications received from only Retail Individual Applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of Applications received up to the closure of timings and reported by Lead Manager to NSE within half an hour of such closure.

It is clarified that Applications not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Application Form, for a particular Applicant, the details as per physical Application Form of that Applicant may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

OFFER PROCEDURE

All Applicants should read the General Information Document for Investing in Public Issue (“GID”) prepared and issued in accordance with the SEBI circular no SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 which is issued in supersession of the Circular SEBI Circular CIR/CFD/DIL/12/2013 dated October 23, 2013 & UPI Circulars which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the website of Stock Exchange(s), the Company and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) allocation; (iv) payment Instructions for ASBA Applicants; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) General Instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide the UPI Circulars, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI mechanisms for RIIs applying through Designated Intermediaries have been made effective along with the existing process and existing timeline of T+6 days (“UPI Phase I”). The same was applicable until June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. The final reduced timeline of T+3 days be made effective using the UPI Mechanism for applications by RIIs (“UPI Phase III”), as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on/or after May 01, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, are deemed to form part of the Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual applicants in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. If the Issue is made under UPI Phase III, the same will be advertised in all editions of the English national daily newspaper, all editions of the Hindi national daily newspaper, regional edition of the regional daily newspaper on or prior to the Issue Opening Date and such advertisement shall also be made available to the Stock Exchange for the purpose of uploading on their website. Subsequently, pursuant to SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Four (4) Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding Four (4) Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in

their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.

Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and is not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Prospectus.

Further, the Company and the Lead Manager are not liable for any adverse occurrences' consequent to the implementation of the UPI Mechanism for application in this Issue.

Phased implementation of Unified Payments Interface

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the "UPI Circulars") in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

Phase I: This phase has become applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful applicants to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the Lead Manager will be required to compensate the concerned investor.

The Issue will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Issue Opening Date. All SCSBs issuing facility of making application in public issues shall also provide facility to make application using UPI.

Our Company will be required to appoint one or more of the SCSBs as a Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Investors.

The processing fees may be released to the remitter banks (SCSBs) only after an application is made by the SCSBs to the Lead Manager with a copy to the Registrar, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB in accordance with April 20, 2022 Circular.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the LM.

FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Chapter IX of SEBI ICDR Regulations through a Fixed Price Process wherein 50% of the Net Issue is allocated for Retail Individual Investors and the balance shall be issued to individual applicants other than Retail Individual Investors and other investors including Corporate Bodies or Institutions, QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Investors is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion issued to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Investors category is entitled to more than 50% on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Investors shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, would be allowed to be met with spill over from any other category at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (for RII Applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

Copies of the Application Form and the Abridged Prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.

All Applicants (other than Applicants using the UPI mechanism) shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants (other than Applicants using the UPI mechanism) must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected. Further Retail Individual Investors may participate in the Issue through UPI by providing details in the relevant space provided in the Application Form and the Application Forms that do not contain the UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of Electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

| Category | Colour* |
|--|---------|
| Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA) | White |
| Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA) | Blue |

* Excluding Electronic Application Form

Designated Intermediaries (other than SCSBs) after accepting application form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non-SCSB Bank.

For RIIs using UPI mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Application entered in the Stock Exchanges bidding platform, and the liability to compensate RIIs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the Banker to the Issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the Bankers to an Issue. The Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Banker to the Issue for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the website of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following intermediaries (Collectively called – Designated Intermediaries”):

| Sr. No. | Designated Intermediaries |
|---------|--|
| 1 | An SCSB, with whom the bank account to be blocked, is maintained |
| 2 | A syndicate member (or sub-syndicate member) |
| 3 | A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker') |
| 4 | A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity) |
| 5 | A registrar to an Offer and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity) |

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

| | |
|--|---|
| For Applications submitted by Investors to SCSB: | After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified. |
| For applications submitted by investors to intermediaries other than SCSBs: | After accepting the Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer. |
| For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment: | After accepting the Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account. |

Stock exchange shall validate the electronic Application details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the Application details already uploaded. Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorising blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Availability of Application Forms

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE (www.nseindia.com) at least one day prior to the Offer Opening Date.

Who can Apply?

In addition to the category of Applicants set forth in the General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

1. Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;

5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional investor's category;
10. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
11. Foreign Venture Capital Investors registered with the SEBI;
12. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
13. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
14. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
15. Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
16. Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
17. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
18. Insurance funds set up and managed by army, navy or air force of the Union of India;
19. Multilateral and bilateral development financial institution;
20. Eligible QFIs;
21. Insurance funds set up and managed by army, navy or air force of the Union of India;
22. Insurance funds set up and managed by the Department of Posts, India;
23. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.
24. Applications not to be made by:
 - (a) Minors (except through their Guardians)
 - (b) Partnership firms or their nominations
 - (c) Foreign Nationals (except NRIs)
 - (d) Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through

Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

MAXIMUM AND MINIMUM APPLICATION SIZE

For Retail Individual Investors

The Application must be for a minimum of 160 Equity Shares and in multiples of 160 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹ 2,00,000.

For Other than Retail Individual Investors (Non-Institutional Investors and QIBs)

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of 160 Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI ICDR Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Investors, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

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

BASIS OF ALLOTMENT

Allotment will be made in consultation with the Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category X number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio). For applications where the proportionate allotment works out to less than 160 Equity shares the allotment will be made as follows:
 - (a) Each successful applicant shall be allotted 160 Equity shares; and
 - (b) The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
3. If the proportionate allotment to an applicant works out to a number that is not a multiple of 160 Equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of 160 Equity shares subject to a minimum allotment of 160 Equity shares.
4. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where

the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of 160 Equity shares, results in the actual allotment being higher than the shares issued, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the issue specified under the Capital Structure mentioned in this Prospectus.

5. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
 - (a) As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
 - (b) The balance net issue of shares to the public shall be made available for allotment to:
 - (i) Individual applicants other than retails individual investors; and
 - (ii) Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
 - (c) The unsubscribed portion of the net issue to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.
6. Retail Individual Investors' means an investor who applies for shares of value of not more than ₹ 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with Stock Exchange. The Executive Director / Managing Director of Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI ICDR Regulations.

PARTICIPATION BY ASSOCIATES / AFFILIATES OF LEAD MANAGER, PROMOTERS, PROMOTER GROUP AND PERSONS RELATED TO PROMOTERS / PROMOTER GROUP

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis. The Promoters, Promoter group, Lead Manager and any persons related to the Lead Manager (except Mutual Funds sponsored by entities related to the Lead Manager) cannot apply in the Issue.

APPLICATION BY MUTUAL FUNDS

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company in consultation with Lead Manager, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights.

APPLICATION BY HUFs

Applications by HUF can be made in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first

Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with Applications from individuals.

APPLICATION BY ELIGIBLE NRIs

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs using the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs applying using the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form. However, NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their application.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for non-residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents. (White in colour).

Participation by Eligible NRIs in the Issue shall be subject to the FEMA Non -Debt Instruments Rules. Only Applications accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

In accordance with the FEMA Non-Debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

For further details, see "Restrictions on Foreign Ownership of Indian Securities" on page 318 of this Prospectus.

APPLICATION BY FPIs AND FIIs

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid -up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Non -Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Additionally, the aggregate foreign portfolio investment up to 49% of the paid -up capital on a fully diluted basis or the sectoral / statutory cap, whichever is lower, does not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India. Other investments by a person resident outside India will be subject to conditions of Government approval and compliance with sectoral conditions as laid down in these regulations.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any application without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 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 a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, 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 issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, inter alia, the following conditions:

- (a) each offshore derivative instruments are transferred to persons subject to fulfilment of 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.

The FPIs who wish to participate in the Issue is advised to use the Application Form for non-residents.

Further, Application received from FPIs bearing the same PAN will be treated as multiple Applications and are liable to be rejected, except for application from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI FPI Regulations (such structure "MIM Structure") provided such application have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple application received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid applications, FPIs making multiple applications using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Application Forms that the relevant FPIs making multiple Applications utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Applications will be rejected.

APPLICATION BY SEBI REGISTERED AIF, VCF AND FVCI

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company in consultation with the Lead Manager, reserves the right to reject any application, without assigning any reason thereof.

APPLICATIONS BY INSURANCE COMPANIES

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our company in consultation with the Lead Manager reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDAI Investment Regulations”) are set forth below:

Equity shares of a company: the lower of 10% ⁽¹⁾ of the investee company’s outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or a reinsurer;

The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

The industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or a reinsurer or health insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

⁽¹⁾ The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars Issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“IRDA Investment Regulations”).

APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

APPLICATIONS BY BANKING COMPANIES

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company consultation with the LM, reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("Banking Regulation Act"), and the Reserve Bank of India ("Financial Services provided by Banks") Directions, 2016, as amended is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

APPLICATION BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES

In case of Applications made by systemically important non-banking financial companies registered with RBI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

APPLICATIONS BY SCSBs

SCSBs participating in the Issue is required to comply with the terms of the SEBI circulars nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013 respectively. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public Issues and clear demarcated funds should be available in such account for such applications.

The information set out above is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that any single application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as specified in this Prospectus and the Prospectus.

APPLICATION UNDER POWER OF ATTORNEY

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of Rs250 million (subject to applicable laws) and pension funds with a minimum corpus of Rs250 million (subject to applicable laws), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged along with the Application Form. Failing this, our Company in consultation with the LM, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. Our Company in consultation with the LM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form.

In accordance with RBI regulations, OCBs cannot participate in the Issue.

ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA)

Applicants In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

METHOD AND PROCESS OF APPLICATIONS

The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.

The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.

During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.

The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.

Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.

The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.

Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.

If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.

If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

TERMS OF PAYMENT

The entire Issue price of ₹ 771 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

PAYMENT MECHANISM

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Individual Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI ICDR Regulations, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them (iii) the applications accepted but not uploaded by them or (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts.

In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.

4. Neither the Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) The applications accepted by any Designated Intermediaries (ii) The applications uploaded by any Designated Intermediaries or (iii) The applications accepted but not uploaded by any Designated Intermediaries.
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given along with the Application Forms to Designated Branches of the SCSBs for blocking of funds.
6. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into the on-line system:
Name of the Applicant;
 - (a) IPO Name;
 - (b) Application Form Number;
 - (c) Investor Category;
 - (d) PAN (of First Applicant, if more than one Applicant);
 - (e) DP ID of the demat account of the Applicant;
 - (f) Client Identification Number of the demat account of the Applicant;
 - (g) Number of Equity Shares Applied for;
 - (h) Bank Account details;
 - (i) Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 - (j) Bank account number
7. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
8. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
9. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
10. In case of Non-Retail Individual Investors and Retail Individual Investors, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
11. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

12. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
13. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
14. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC

Our company has entered into an Underwriting Agreement dated May 17, 2023.

A copy of Prospectus will be filled with the ROC in terms of Section 26 of Companies Act, 2013.

ISSUANCE OF ALLOTMENT ADVICE IN THE ISSUE

Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.

On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

DESIGNATED DATE

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the companies Act, 2013, our Company shall, after registering the Prospectus with the ROC, publish a pre-Issue Advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Applicants should submit their applications through the ASBA process only;

2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that the details about the PAN, DP ID, Client ID and Bank Account Number (UPI ID, as applicable) are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
4. Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Applications) within the prescribed time. Retail Individual Investors using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants;
5. Ensure that you have mentioned the correct ASBA Account number and such ASBA account belongs to you and no one else if you are not an RII bidding using the UPI Mechanism in the Application Form (with maximum length of 45 characters) and if you are an RII using the UPI Mechanism ensure that you have mentioned the correct UPI ID in the Application Form;
6. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries. Ensure that you use only your own bank account linked UPI ID (only for Retail Individual Investors using the UPI Mechanism) to make an application in the Issue. Retail Individual Investors using the UPI Mechanism shall ensure that the bank with which they have their bank account where the funds equivalent to the Application Amount are available for blocking, is UPI 2.0 certified by NPCI;
7. If the first applicant is not the bank account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form (for all Applicants other than Retail Individual Investors, bidding using the UPI Mechanism);
8. All Applicants should submit their Applications through the ASBA process only;
9. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
10. Retail Individual Investors submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Application is listed on the website of SEBI at www.sebi.gov.in;
11. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
12. Ensure that you request for and receive a stamped acknowledgement of your application;
13. Retail Individual Investors using the UPI mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
14. Instruct your respective banks to release the funds blocked in accordance with the ASBA process;
15. Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
16. Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market including without limitation, multilateral/ bilateral institutions, and (iii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming

the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

17. Ensure that the Demographic Details are updated, true and correct in all respects;
18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
19. Ensure that the correct investor category and the investor status is indicated in the Application Form;
20. Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
21. Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
22. Ensure that you use only your own bank account linked UPI ID (only for Retail Individual Investors using the UPI Mechanism) to make an application in the Issue;
23. Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
24. Applicants, other than Retail Individual Investors using the UPI Mechanism, shall ensure that they have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form to the relevant Designated Intermediaries;
25. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Application Form and that the name of the Applicant, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;
26. In case of ASBA Applicants (other than Retail Individual Investors using UPI Mechanism), ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
27. Once the Sponsor Bank Issues the UPI Mandate Request, the Retail Individual Investors would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request;
28. Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
29. Retail Individual Investors who wish to revise their applications using the UPI Mechanism, should submit the revised Application with the Designated Intermediaries, pursuant to which Retail Individual Investors should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in the Retail Individual Investors ASBA Account;
30. Retail Individual Investors using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a

Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount specified in the Application Form;

31. Retail Individual Investors applied using the UPI Mechanism should mention valid UPI ID of only the applicant (in case of single account) and of the first applicant (in case of joint account) in the Application Form;
32. Retail Individual Investors using the UPI Mechanism who have revised their applications subsequent to making the initial Application should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount and subsequent debit of funds in case of Allotment in a timely manner;
33. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
34. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form;
35. Retail Individual Investors shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Issue Closing Date;
36. The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with;
37. UPI Applicants using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Applicants shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019.

Dont's:

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not apply by another Application Form after submission of Application to the Designated Intermediary;
4. Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
5. Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not submit the Application Forms to any non-SCSB bank or our Company;
7. Do not apply on a physical Application Form that does not have the stamp of the relevant Designated Intermediary;
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not submit more than one Application Forms per ASBA Account;
10. Do not submit the Application Forms to any Designated Intermediary that is not authorised to collect the relevant Application Forms or to our Company;
11. Do not apply for an Application Amount exceeding ₹ 200,000 (for Applications by Retail Individual Investors);

12. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Prospectus;
13. Do not submit the General Index Register number instead of the PAN;
14. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
15. Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
16. If you are a Retail Individual Investor and are using UPI Mechanism, do not submit more than one Application Form for each UPI ID;
17. If you are a Retail Individual Investor and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;
18. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
19. Do not submit an application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
20. Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
21. Do not withdraw your application or lower the size of your application (in terms of quantity of the Equity Shares or the Application Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise their applications during the Issue Period and withdraw their Applicants on or before the Issue Closing Date;
22. Do not apply for shares more than specified by respective Stock Exchanges for each category;
23. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Retail Individual Investor using the UPI mechanism;
24. Do not submit incorrect UPI ID details, if you are a Retail Individual Investors applying through UPI Mechanism;
25. If you are a Non-Institutional Investor or Retail Individual Investor, do not submit your application after 3.00 p.m. on the Issue Closing Date;
26. Do not apply if you are an OCB.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

For helpline details of the Lead Manager pursuant to the SEBI circular bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “General Information - Lead Manager to the Offer” on page 59 of this Prospectus.

GROUND FOR TECHNICAL REJECTIONS

In addition to the grounds for rejection of Application on technical grounds as provided in the “General Information Document” Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Applications submitted without instruction to the SCSBs to block the entire Application Amount;

2. Applications submitted by Applicants which do not contain details of the Application Amount and the bank account details / UPI ID in the Application Form;
3. Applications submitted on a plain paper;
4. Applications submitted by Retail Individual Investors using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
5. Applications submitted by Retail Individual Investors using third party bank accounts or using a third party linked bank account UPI ID;
6. Applications by HUFs not mentioned correctly as given in the sub-section “Who can Apply?” on page 299 of this Prospectus;
7. Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
8. Application submitted without the signature of the First Applicant or sole Applicants;
9. Applications by person for whom PAN details have not been verified and whose beneficiary accounts are ‘suspended for credit’ in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Application by Retail Individual Investors with Application Amount for a value of more than ₹ 200,000;
12. Applications by person who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Applications by Applicants accompanied by cheques or demand drafts;
14. Applications accompanied by stock invest, money order, postal order or cash;
15. Application by OCB.

For further details of grounds for technical rejections of Application Form, please refer to the General Information Document and UPI Circulars.

For details of instruction in relation to the Application Form, please refer to the General Information Document and UPI Circulars.

INVESTOR GRIEVANCE

In case of any pre-Issue or post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, please refer to the chapter titled “General Information” on page 58 of this Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 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, for fraud involving an amount of at least Rs 1 million 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 Rs 1 million 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 Rs 5 million or with both.

DEPOSITORY ARRANGEMENTS

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Issue:

1. Agreement dated January 27, 2023 among NSDL, our Company and the Registrar to the Issue.
2. Agreement dated January 30, 2023 among CDSL, our Company and Registrar to the Issue.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. That the complaints received in respect of the Offer shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within six working days from Offer Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Offer by our Company;
4. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That our Promoter 's contribution in full has already been brought in;
6. That no further Offer of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.;
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;

8. If our Company does not proceed with the Offer after Offer Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Offer Closing Date. The public notice shall be issued in the same newspapers where the Pre- Offer advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
9. If our Company withdraws the Offer after the Offer Closing Date, our Company shall be required to file a fresh Prospectus with the Stock exchange / RoC / SEBI, in the event our Company subsequently decides to proceed with the Offer;
10. If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

UTILISATION OF NET PROCEEDS

The Board of Directors of our Company certifies that:

1. All monies received out of the Offer shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
2. Details of all monies utilized out of the Offer referred above shall be disclosed and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
3. Details of all unutilized monies out of the Offer, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
4. Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Offer.
5. Our Company shall not have recourse to the Offer Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
6. The Lead Manager undertakes that the complaints or comments received in respect of the Offer shall be attended by our Company expeditiously and satisfactorily.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India ("DPIIT").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DPIIT, has issued consolidated FDI Policy Circular of 2020 ("FDI Policy 2020"), effective from October 15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular.

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI and Master Direction –Foreign Investment in India (updated upto March 08, 2019). In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular and Master Direction. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2020 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2020 and amendments from time to time thereupon, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Foreign Exchange Management (Non-debt Instruments) Rules, 2019 as amended from time to time. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral /statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral /statutory cap.

Investment by FPIs under Portfolio Investment Scheme (PIS)

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap / statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

Investment by NRI or OCI on repatriation basis:

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non- Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended from time to time. The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2020 - Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION IX: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Except where provided in these Articles, the Articles contained in Table 'F' of Schedule I of the Act, shall apply to the Company as if the Articles contained therein were mentioned in these presents. In case of conflict between Table 'F' and these Articles, the provisions of these Articles shall prevail.

(1) Definitions:-

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the meaning assigned to them respectively hereunder, namely:

- a) **“Act”** means the Companies Act, 2013 including rules made thereunder and every statutory modification or re-enactment thereof and to the limited extent the Companies Act, 2013 is not enforced, and consequentially the Companies Act 1956 applies, means the Companies Act, 1956;
- b) **“Annual General Meeting”** means a general meeting of Members held in accordance with the provisions of the Act, and any adjourned holding thereof;
- c) **“Articles”** means these Articles of Association, as amended from time to time;
- d) **“Auditor”** means and includes a person appointed as such for the time being of the Company in accordance with the provisions of these Articles and applicable Laws;
- e) **“Board of Directors”** or **“Board”** means the Board of Directors of the Company constituted from time to time consistent with the provisions of these Articles and applicable Laws;
- f) **“Beneficial Owner”** shall mean a Beneficial Owner as defined in Clause (a) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.
- g) **“Chairperson”** means the Chairperson of the Board of Directors;
- h) **“Company”** means PROVENTUS AGROCOM LIMITED;
- i) **“Committee”** means a Committee of the Board;
- j) **“Director”** means a Director of the company appointed from time to time;
- k) **“Depository”** Depository shall have the meaning as ascribed under the Depositories Act, 1996;
- l) **“Extra-ordinary General Meeting”** means a General Meeting other than Annual General Meeting of the Members;
- m) **“General Meeting”** means a meeting of the Members.
- n) **“Financial Year”** means the period ending on March 31 every year or any other period as allowed under the Act;
- o) **“Law”** includes all statutes, enactments, acts of legislature or parliament, Laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, tribunal board, court or recognized stock exchange;
- p) **“Manager”** means a Manager of the Company as defined in the Act;
- q) **“Member”** means in relation to the Company a Member as defined in the Act;
- r) **“Memorandum of Association”** or **“Memorandum”** means the Memorandum of Association, of the Company registered with the Registrar of Companies as amended from time to time;
- s) **“Postal Ballot”** means voting by post, or electronic mode or through any other mode permissible by Law from time to time;
- t) **“Proxy”** means any person who is duly appointed as such under the Act;
- u) **“Register of Charges”** means the Register of Charges maintained by the Company pursuant to the Act;
- v) **“Register of Members”** means the Register of Members maintained by the Company pursuant to the Act and also includes records of the Depository maintained in any media as may be permitted by applicable Law including electronic media;
- w) **“Secretary”** means the Company Secretary of the Company as defined under Section 2(24) of the Act;
- x) **“Share”** means a Share in the share capital of the Company and includes stock.

(2) Interpretation:-

(2.1) In these Articles, unless the context requires otherwise:

- i). reference to the singular includes a reference to the plural and vice versa;
- ii). reference to any gender includes a reference to all other genders;
- iii). reference to an individual shall include his legal representative, successor, legal heir, executor and administrator;

- iv). reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment (whether before or after the date of these Articles) for the time being in force and to all statutory instruments or orders made pursuant to statutory provisions;
 - v). references to any statute or regulation made using a commonly used abbreviation, shall be construed as a reference to the title of the statute or regulation;
 - vi). references to any Article, shall be deemed to be a reference to an Article of these Articles.
 - vii). Words and expressions used, and not defined in these Articles, but defined under the applicable provisions of the Act, shall have the meanings respectively assigned to them in the Act.
- (3) Any word or phrase defined in the body of these Articles as opposed to being defined in Article I(1) above shall have the meaning assigned to it in such definition throughout these Articles, unless the contrary is expressly stated or the contrary clearly appears from the context.
- (4) The use of the word “including” followed by a specific example/s in these Articles shall not be construed as limiting the meaning of the general wording preceding it.
- (5) Reference to a “person” includes (as the context requires) an individual, proprietorship, partnership firm, company, body of corporate, co-operative society, entity, authority or any body, association or organization of individuals or persons whether incorporated or not.

I. SHARE CAPITAL AND VARIATION OF RIGHTS

- 1.i) Subject to the provisions of the section 62 of the Act and these Articles, the shares in the Capital of the Company for the time being shall be under the control of the Board, who may, issue, allot or otherwise dispose off the same or any of them to such persons in such proportion and on such terms and conditions and either at a premium or at par or at a discount and at such times as they may from time to time think fit and with the sanction of the Company in General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid-up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.
- (ii) The authorized share capital of the Company shall be as prescribed in the Memorandum of Association.
- (iii) **Terms of Issue of Shares:** New shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the Board/General Meeting, as applicable, resolving upon the creation whereof shall direct. The rights to exercise a call on shares of the Company cannot be given to any person except with the sanction of the Board/ General Meeting as applicable.
- (iv) **Terms of Issue of Debentures:** Any debentures, debenture-stock or other securities may be issued by the Company with or without an option to convert into shares either wholly or partly, in terms of the applicable provisions of the Act.
- (v) **Further issue of Shares:** - Whenever it is proposed to increase the subscribed capital of the Company by issue of further Shares either out of the unissued capital or out of the increased share capital then:
- a) such further Shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion as near as circumstances admit, to the capital paid up on these Shares at the date;
 - b) such offer shall be made by a notice specifying the number of shares offered and limiting a time within which the offer, if not accepted, will be deemed to have been declined;
 - c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in Sub-Clause (b) hereof in favour of any person and the notice shall contain a statement of this right. Provided that the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any Member may renounce the shares offered to him;
 - d) after expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board

may dispose off them in such manner and to such person(s) as they may think fit, in their sole discretion.

(vi) Notwithstanding anything contained in the above clause hereof, the further shares aforesaid may be offered to any person (including to employees under a scheme of employee's stock option, and whether or not those persons include the persons referred to in Clause II.1.(v) (a) hereof) in any manner whatsoever:

- a) if a special resolution to that effect is passed by the Company in General Meeting, or
- b) where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in the General Meeting (including the casting vote, if any of the Chairperson) by the Members who, being entitled to do so, vote in person, or where Proxies are allowed, by Proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government/any other designated authority/body is satisfied on an application made by the Board of Directors in this behalf that the proposal be approved.

(vii) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

(viii) Nothing in Sub-Clause (c) of II.1(v) hereof shall be deemed:

- a) to extend the time within which the offer should be accepted; or
- b) to authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(ix) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:

- i). to convert such debentures or loans into shares in the Company; or
- ii). to subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- a) either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with rules, if any, made by that Government in this behalf; and
- b) in the case of debentures or loans or other than debentures issued to or loans obtained from Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

(x) Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

(xi) Subject to these Articles, the applicable provisions of the Act and other applicable Laws, the Company may, with the necessary approval of the shareholders, issue sweat equity Shares, on such terms and conditions and in the manner provided in the resolution authorizing such issue, and in absence of any specific condition of their issue in that behalf, in such manner as the Board may deem fit.

(xii) The Company may issue Share warrants subject to, and in accordance with, the terms and conditions as may be prescribed pursuant to the provisions of the Act or as may be permissible under applicable Law from time to time. Accordingly the Board may in its discretion, and subject to the Act, prescribe applicable procedure, charges and requirements from time to time that will apply in that regard.

(xiii) The Company shall be entitled to dematerialize or rematerialize any or all of its shares, debentures and other marketable securities pursuant to the Depositories Act, 1996 and, subject to these presents, to offer its shares, debentures and other securities for subscription in a dematerialized form.

(xiv) Every person subscribing to securities offered by the Company shall have the option either to receive the security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the shares can at any time opt out of a depository, if permitted by the law, in respect of any shares in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of shares. If a person opts to hold the securities with a Depository, the Company shall intimate such Depository the details of allotment of the security. On receipt of such information, the Depository shall enter in its records the name of the allottee as the Beneficial Owner of the security.

(xv) Every person who is the Beneficial Owner of the securities can at any time opt out of a Depository, in the manner provided by the Depositories Act, 1996. The Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required certificates of securities.

(xvi) All securities held by a Depository shall be dematerialized and be in fungible form.

(xvii) Notwithstanding anything to the contrary contained in the Act or the Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.

(xviii) Save as otherwise provided in the above article, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(xix) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

2. (i) Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fees as the Directors may determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within 1 month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares, as the case may be, every certificate of shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve.

Provided that in respect of Share(s) held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be sufficient delivery to all such holder.

(ii) Every certificate shall be authenticated by (a) two Directors duly authorized by the Board for the purpose or the Committee of the Board, if so authorized by the Board; and (b) Company Secretary or any other person as may be authorized by the Board for the purpose.

3. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees or if the Directors so decide, on payment of such fees (not exceeding Rs. 50/- for each certificate or such higher fees as may be allowed to be charged pursuant to the Act) as the Directors shall prescribe. Provided that notwithstanding what is stated above, the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act or rules applicable in this behalf.
4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any

fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5. The Company may exercise the powers of paying commissions conferred by Section 40 of the Act and applicable rules, subject to such conditions as may be prescribed thereunder. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way or partly in other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.
6. Notwithstanding anything contained in any of these Articles, but subject to the applicable provisions of the Act and other applicable Laws, the Company may from time to time, issue to any person(s) as it may deem fit, Shares whether equity, preference or any other class(es), by whatever name called, with differential rights as to voting, dividend or otherwise.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
8. (i) Subject to these Articles, the applicable provisions of the Act and other applicable Laws, the Company, with the necessary approval of shareholders, if required, shall have the power to issue or re-issue preference shares of one or more classes, which are liable to be redeemed and/or converted into equity shares, on such terms and conditions, and in the manner provided in the resolution authorizing such issue, and in absence of any specific condition of their issue in that behalf, in such manner as the Board may deem fit.

(ii) Subject to the provisions of section 55, any preference shares may, with the sanction of an special resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

II. LIEN

9. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures, and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer or shares / debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may, at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Clause.
10. The Company may sell, in such manner as the Board think fit, any share on which the Company has a lien provided that no sale shall be made :-
 - a) unless a sum in respect of which the lien exists is presently payable; or
 - b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the shareholder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.
12. (i) The proceeds of the sale shall be received by the company and applied in payment of the whole or part of the amount in respect of which the lien exist as is presently payable.

(ii)The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares as the date of sale, be paid to the person entitled to the shares at the date of the sale.

III. CALLS ON SHARES

13. (i)The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and at the time and place appointed by the Board. A call may be made payable by installments. The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call and may extend such time as to the payment of any call for any of the Members; but no Member shall be entitled to such extension save as a matter of right.

(ii)The Board may, from time to time, make calls upon the Members in respect of any monies unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(iii) Each Member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.

(iv)A call may be revoked or postponed at the discretion of the Board.

14. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed and may be made payable by Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Directors.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16. (i)If any Member fails to pay any call due from him on the date appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall, from time to time be fixed by the Board or a Committee of the Board if so authorized in this regard.

(ii) The Board / Committee shall be at liberty to waive payment of any such interest wholly or partly.

17. (i) Any sum, which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable.

(ii) In case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

18. (i)The Directors may if they think fit subject to the provisions of the Act, agree to and receive from any Member willing to advance the same whole or any part of the monies due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding, unless the Company in General Meeting directs, twelve percent per annum, as may be agreed between the Board and the Member paying the sum in advance. However, such amounts paid in advance of call shall not confer a right to participate in profits or dividend.

(ii) The directors may at any time repay the amount so advanced.

(iii) The members shall not be entitled to any voting right in respect of the money so paid by him until the same would but for such payment, becomes presently payable.

(iv) The provisions of these Articles with respect to the calls on shares shall mutatis mutandis apply to the calls on debentures of the company.

(v) Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principle or interest nor any indulgence granted by the Company in respect of payment of any money shall preclude the forfeiture of such shares as herein provided.

(vi) No Member shall be entitled to receive any dividend or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every Share held by him whether alone or jointly with any person, together with interest and expenses, if any.

(vii) On the trial or hearing of any action or suit brought by the Company against any Member or his legal representatives for the recovery of any moneys claimed to be due to the Company in respect of his shares it shall be sufficient to prove that the name of the Member in respect of whose shares the moneys are sought to be recovered, is entered in the Register of Members as a Member/one of the Members at or any subsequent date on which the moneys sought to be recovered are alleged to have become due on the shares and that the resolution making the call is duly recorded in the Minute book and the notice of such call was duly given to the Member, holder or joint-holder or his legal representatives issued in pursuance of these presents. It shall not be necessary to prove the appointment of Directors who made such call nor that the quorum of Directors was present at the Board at which any such call was made nor that the Meeting at which any such call was made had been duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

IV. TRANSFER OF SHARES

19. The instrument of transfer of any Shares shall be executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

20. Subject to the provisions of Section 58, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of Law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal, provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

21. (i) A common instrument of transfer shall be used which shall be in writing in case of shares/debentures held in physical form and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being, shall be duly complied with in respect of all transfer of shares and the registration thereof.

(ii) The instrument of transfer in case of shares/debentures held in physical form shall be in writing and all provisions of Section 56 of the Act, and statutory modification thereof, and rules prescribed under the Act for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

(iii) Subject to the provisions of Law, in the event that the proper documents have been lodged, the Company shall register the transfer of securities in the name of the transferee except:

- a) when the transfer is, in exceptional circumstances, not approved by the Directors in accordance with the provisions contained herein;

- b) when any statutory prohibition or any attachment or prohibitory order of a competent authority restrains the Company from transferring the securities out of the name of the transferor;
 - c) when the transferor object to the transfer, provided he serves on the Company within a reasonable time a prohibitory order of a court of competent jurisdiction;
 - d) the transfer of a Share, not being a fully paid Share, to a person whom they do not approve;
 - e) any transfer of Share(s) on which the Company has lien.
22. (i) On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine. Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
- (ii) The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any Share.
- (iii) Subject to the provisions of Sections 56 and 72 of the Act, a transfer of the shares or other interest in the Company of a deceased Member thereof made by his legal representative shall although the legal representative is not himself a Member, be as valid as if he had been a Member at the time of the execution of the instrument of transfer.
- (iv) The instrument of transfer shall, after registration, be retained by the Company and shall remain in its custody. All the instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as may be prescribed.

V. TRANSMISSION OF SHARES

23. Subject to the provisions of Section 72 of the Act and Clauses 26 (ii) and 26 (iv) of these Articles, the executors or administrators of a deceased Member or a holder of a succession certificate or other legal representative or nominee in respect of shares of a deceased Member where he was a sole or only surviving holder shall be the only person whom the Company will be bound to recognize as having any title to the shares registered in the name of such Member and the Company shall not be bound to recognize such executors, administrators or holder unless such executors or administrators shall have first obtained probate or letters of administration or such holder is the holder of a succession certificate or other legal representation, from a court of competent jurisdiction or in the case of nomination, on the production of such evidence as the Board may require, as the case may be.
- Provided that in any case where the Directors, at their absolute discretion, think fit, the Directors may dispense with production of probate or letters of administration or succession certificate or other legal representation or other evidence and register the name of any person who claims to be absolutely entitled to the share standing in the name of a deceased Member as a Member, in accordance with the provisions of these Articles.
24. (i) Any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Directors shall require, either be registered as a Member in respect of such shares or may subject to the regulations as to transfer contained in these presents and applicable Law, transfer such shares to some other person. This Article, in these presents, is referred to as the "Transmission Clause".
- (ii) The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.
- (iii) Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

(iv) Notwithstanding anything provided in these Articles, a nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either:

- a) to be registered himself as holder of the share/bond/debenture or deposits, as the case may be; or
 - b) to make such transfer of the Share/bond/debenture or deposits, as the case may be, as deceased Share/bond/debenture holder or depositor could have made;
 - c) if the nominee elects to be registered as holder of the Share/bond/debenture or deposits, himself, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Share/bond/debenture holder or depositor, as the case may be;
 - d) if the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share
 - e) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
 - f) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
25. A nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share/bond/debenture or deposits except that he shall not, before being registered as a Member in respect of his Share/bond/debenture or deposits be entitled in respect of it to exercise any right conferred by membership in relation to meeting of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share/bond/debenture or deposits, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the Share/bond/debenture or deposits, until the requirements of the notice have been complied with.

26. (i) In case of a One Person Company –
- a) on the death of the sole member, the person nominated by such member shall be the person recognised by the company as having title to all the shares of the member;
 - b) the nominee on becoming entitled to such shares in case of the member's death shall be informed of such event by the Board of the company;
 - c) such nominee shall be entitled to the same dividends and other rights and liabilities to which such sole member of that company was entitled or liable;
 - d) on becoming member, such nominee shall nominate any other person with the prior written consent of such person who, shall in the event of the death of the member, become the member of the company.
- (ii) Nomination -
- a) Every Share/bond/debenture holder of the Company and a depositor under the Company's Public Deposit Scheme (Depositor) of the Company may at any time, nominate in the prescribed manner, a person to whom his shares/bonds/debentures or deposits in the Company shall vest in the event of his death.
 - b) Where the shares or bonds or debentures or deposits in the Company are held by more than one person jointly, the joint holder may together nominate, in the prescribed manner, a person to whom all the rights in the shares or bonds, debentures or deposits in the Company, as the case may be, shall vest in the event of death of all the joint holders.
 - c) Notwithstanding anything contained in these Articles, or any other Law for the time being in force or in disposition, whether testamentary or otherwise, in respect of such shares/bonds/debentures or deposits in the Company, where a nomination made in the prescribed manner purport to confer on any person the right to vest the shares/bonds/debentures or deposits in the Company, the nominee shall on the death of the Share/bond/debenture holder or a depositor, as the case may be, or on the death of the joint holders become entitled to all the rights in such shares/bonds/debentures or deposits, as the case may be, to the exclusion of all persons, unless the nomination is varied, cancelled in the prescribed manner.
 - d) Where the nominee is a minor, it shall be lawful for the holder of the shares/bonds/debentures or deposits, to make the nomination to appoint, in the prescribed manner, any person to become

entitled to shares/bonds/debentures or deposits in the Company, in the event of his death, during the minority.

(iii) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document of shares or debentures, as the case may be.

(iv) The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by the apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend to give effect to any notice which may be given to them of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

VI. FORFEITURE OF SHARES

27. If a Member or debenture-holder fails to pay any call or the allotment money or instalment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or allotment money or instalment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part serve a notice on him requiring payment of so much call or instalment as is unpaid, together with any interest which may have accrued.
28. The notice aforesaid shall:
 - a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - b) state that, in the event of non-payment on or before the day so named, the shares or debentures in respect of which the call was made will be liable to be forfeited.
29. If the requirements of any such notice as aforesaid are not complied with, any Share or debenture in respect of which the notice has been given, may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
30. (i) A forfeited Share or debenture may be sold or otherwise disposed off on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
31. (i) A person whose shares or debentures have been forfeited shall cease to be Member or holder in respect of the forfeited shares or debentures, but shall notwithstanding the forfeiture remain liable to pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the Share or debenture.

(ii) All such moneys payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the moneys due, without any allowance for the value of the shares or debentures at the time of forfeiture, or waive payment in whole or in part.

(iii) The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares or debentures.
32. (i) A duly verified declaration in writing that the declarant is a Director, Manager or the Company Secretary and that a Share or debenture in the Company has been duly forfeited on the date stated in the

declaration, shall be conclusive evidence of the facts therein stated, as against all persons claiming to be entitled to the Share or debenture.

(ii) The Company may receive the consideration, if any, given for the Share or debenture on any sale or disposal thereof and may execute a transfer of the Share or debenture in favour of the persons to whom the Share or debenture is sold or disposed of.

(iii) The transferee shall thereupon be registered as the holder of the Share or debenture.

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share or debenture be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share or debenture.

33. (i) The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the term of issue of a Share or debenture, becomes payable at a fixed time, whether on account of the nominal value of the Share or debenture or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

(ii) The Board may subject to the provisions of the act accept from any shareholder/debenture holder on such terms and conditions as shall be agreed, a surrender of all or any of his shares/debentures.

VII. ALTERATION OF CAPITAL

34. Subject to provisions of the Act, the Company in General Meeting, may increase the share capital by such sum to be divided into Shares of such amount as the resolution shall prescribe.

35. Subject to the provisions of the Act, the Company in a General Meeting, may from time to time sub-divide or consolidate its shares or any of them and exercise any of the other powers conferred by Section 61 of the Act or any other applicable provisions and shall file with the Registrar such notice in exercise of any such powers, if any, as may be required by the Act.

36. (i) The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law:-

- a) its share capital;
- b) any capital redemption reserve account or capital reserve account; or
- c) any share premium account.

(ii) The Company may, from time to time, by special resolution and on compliance with the provisions of Section 66 of the Act, reduce its share capital.

VIII. CAPITALISATION OF PROFITS

37. (i) The Company in General Meeting may, upon the recommendation of the Board, resolve—

- a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the statement of profit and loss, or otherwise available for distribution; and
- b) that such sum be accordingly set free for distribution in the manner specified in Clause 37(ii) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:

- a) paying up any amounts for the time being unpaid on any shares held by such Members respectively;
- b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid; or
- c) partly in the way specified in Sub-Clause (a) and partly in that specified in Sub-Clause (b).
- d) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares.

- e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article. Provided however that such payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.
- 38.(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
- a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, if any; and
 - b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have full power:
- a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares or debentures becoming distributable in fractions; and
 - b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares.
- (iii) Any agreement made under such authority shall be effective and binding on all such Members.

IX. BUY-BACK OF SHARES

39. Notwithstanding anything contained in these Articles, the Company shall be entitled to purchase its own shares and specified securities, as permitted by Law, and in connection thereto the Board may, when and if thought fit, buy back such of the Company's own shares or specified securities permitted by Law, as it may think fit, subject to such limits, upon such terms and conditions, and in such manner as may be prescribed by Law and subject to such approvals as may be necessary.

X. GENERAL MEETINGS

40. All General Meetings other than the Annual General Meeting shall be called Extra- ordinary General Meetings.
41. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made. Such requisition shall state the reason for calling the meeting.

XI. PROCEEDINGS AT GENERAL MEETINGS

42. (i) No business shall be discussed at any General Meeting except the election of a Chairperson, whilst the Chair is vacant.
- (ii) Such minimum number of Members, as prescribed under Section 103 or any other applicable provisions of the Act, to be personally present for comprising quorum for meetings, and no business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business.
43. The Chairperson or in his/her absence the Vice Chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company.
44. (i) If there be no Chairperson or, if he is not present within 15 minutes after the time appointed for holding such meeting, or is unwilling to act as Chairperson, Directors present shall elect one amongst them to be the Chairperson of the meeting.
- (ii) If at any meeting no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one amongst them to be Chairperson of the meeting.

(iii) **Postal Ballot:** Notwithstanding anything contained in the Articles of the Company, the Company do adopt the mode of passing resolutions by the Members of the Company by means of Postal Ballot (which includes voting by electronic mode) and/or other ways as may be prescribed under the Act or Rules formed thereunder from time to time in respect of the matters specified in said Rules as modified from time to time instead of transacting such business in a General Meeting of the Company subject to compliances with the procedure for such Postal Ballot and/or other requirements prescribed in the rules in this regard.

(iv) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

(v) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting -

- a) is, or could reasonably be regarded, as defamatory of any person; or
- b) is irrelevant or immaterial to the proceedings; or
- c) is detrimental to the interests of the Company.

(vi) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.

(vii) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

(viii) The books containing the minutes of the proceedings of any General Meeting or a resolution passed by Postal Ballot shall: (a) be kept at the registered office of the Company; and (b) be open to inspection of any Member without charge, during 10.00 a.m. to 1.00 p.m. on all working days other than Saturdays.

(ix) Subject to the provisions of the Act, any Member shall be entitled to be furnished within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred in the above clause.

XII. ADJOURNMENT OF MEETING

45. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting adjourn any meeting from time to time, and from place to place.

(ii) If within half an hour from the time appointed for the General Meeting, a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved and in any other case shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Board may determine. If at such adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting the Members present shall be a quorum and may transact the business for which the meeting was called.

(iii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for more than 30 days, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of the adjournment or of the business to be transacted at an adjourned Meeting.

XIII. VOTING RIGHTS

46. (i) Subject to the provisions of the Act :

- a) on a show of hands, every Member present in person shall have one vote; and
- b) on a poll, the voting rights of Members shall be as provided in Section 47 of the Act.

(ii) At any General Meeting, a resolution put to vote at the meeting shall be decided on a show of hands unless the voting is carried out electronically, or a poll is ordered (before or on the declaration of the result on a show of hands) to be taken by the Chairperson of the meeting of his own motion or demanded by any Member or Members present in person or by Proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five lakh rupees or such higher sum as may be prescribed under Section 109 of the Act has been paid up and unless a poll is so ordered to be taken or demanded, a declaration by the Chairperson that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost, and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution. In case voting through electronic means is applicable pursuant to provisions of Section 108 of the Act, the manner prescribed pursuant thereto and other applicable provisions of the Act shall apply.

(iii) If a poll is demanded on the election of a Chairperson or on a question of adjournment, it shall be taken forthwith and without adjournment. A poll demanded on any other question shall be taken at such time not being later than forty eight hours from the time when the demand was made, as the Chairperson may direct.

(iv) On a poll taken at a meeting of the Company, a Member entitled to more than one vote or his Proxy or other person entitled to vote for him as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

(v) Where a poll is to be taken, the Chairperson of the meeting shall appoint one or more Scrutineer to scrutinize the votes given to the poll and to report thereon to him. The Chairperson shall have power, at any time before the result of the poll is declared, to remove a Scrutineer from office and to fill vacancies in the office of the Scrutineer arising from such removal or from any other cause. Scrutineers appointed under this Article may be a Member present at the meeting (not being an officer or employee of the Company), provided that such a Member is available and willing to be appointed.

(vi) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

(vii) In the case of any equality of votes, whether on a show of hands or on a poll, the Chairperson of the meeting at which the show of hands takes place or at which the poll is demanded, shall, unless otherwise provided under the Act, be entitled to a casting vote in addition to his own votes to which he may be entitled as a Member.

(viii) Notwithstanding anything contained in the provisions of these presents, the provisions of Section 110 of the Act and the rules made thereunder, shall apply in relation to passing of resolutions by Postal Ballot.

47. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
48. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of joint holders stand in the Register of members.
49. Any Member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction to lunacy, may vote whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by Proxy.
50. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
51. (i) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

(ii) Any Member whose name is entered in the Register of Members, or who is a Beneficial Owner of the shares shall enjoy the same right and be subject to the same liabilities as all other Members of the same class. No Member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the company has exercised any right of lien.

(iii) A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member, by resolution of its Board or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company in accordance with the provisions of Section 113 of the Act. The production at the meeting of a copy of such resolution duly signed by one Director of such body corporate or by a Member of its governing body and certified by him as being a true copy of the resolution shall on production at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment.

(iv) Any person entitled under the Transmission Clause to transfer any shares may vote at General Meetings in respect thereof as if he was the registered holder of such shares provided that at least 48 hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Board of his right to transfer such shares unless the Board has previously admitted his right to vote at such meeting in respect thereof.

52. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

XIV. PROXY

53. (i) Any Member who is entitled to attend and vote at a meeting of Company shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself. A Proxy so appointed shall not have any right to speak at the meeting.

(ii) Votes may be given either personally or by attorney or by Proxy or in the case of a body corporate by a representative duly authorized as aforesaid.

(iii) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

54. (i) An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105 of the Act.

(ii) No person shall act as Proxy unless the instrument of his appointment and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall have been deposited at the registered office of the Company at least 48 hours before the time for holding the meeting at which the person named in the instrument of Proxy proposes to vote and in default the instrument appointing the Proxy shall not be treated as valid. No attorney shall be entitled to vote unless the power of attorney or other instrument appointing him as attorney or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than 48 hours before the time of the meeting at which the attorney proposes to vote or is deposited at the registered office not less than 48 hours before the time of such meeting as aforesaid. Notwithstanding that a power of attorney of that authority has been registered in the records of the Company, the Company may by notice in writing addressed to the Members or the attorney at least seven days before the date of a meeting require him to produce the original power of attorney or authority and unless the same is thereupon deposited with the Company not less than 48 hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board, at its absolute discretion, excuse such non-production

and deposit. Every Member entitled to vote at a meeting of the Company or on any resolution to be moved thereat shall be entitled, during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company provided that not less than three days notice in writing of the intention to inspect is given to the Company.

(iii) If any such instrument of appointment be confined to the object of appointing a Proxy or substitute for voting at meetings of the Company, it shall remain permanently or for such time as the Board may determine, in the custody of the Company and if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

55. (i) A vote given in accordance with the terms of an instrument of Proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the Proxy or authority or of any power of attorney under which such Proxy was signed or the transfer of Shares in respect of which the vote is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received at the registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

(ii) No objection shall be made to the validity of the vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by Proxy not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

(iii) The Chairperson of any meeting shall be the sole judge of the validity of every vote cast at such meeting. The Chairperson present at the taking of a poll shall be the sole judge of the validity of every vote cast at such poll.

XV. BOARD OF DIRECTORS

56. (i) The following shall be the first Directors of the Company: -
a) Mr. Durga Prasad Jhawar
b) Mr. Shalin Sanjiv Khanna

(ii) Unless otherwise determined by the Company in General Meeting and subject to the provisions of the Act, the number of Directors of the Company shall not be less than three and not more than fifteen or any other number as the Act may prescribe. The composition of the Board shall comply with the terms of the Act and other applicable laws.

(iii) Subject to provisions of the Act, and in particular Section 149 (13) of the Act, two-thirds (any fraction to be rounded off to the next number) of the Directors shall be persons whose period of office shall be liable to determination by rotation and save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting.

(iv) In accordance with provisions of Section 152 of the Act, at every Annual General Meeting of the Company held next after the date of General Meeting in which first Directors are appointed, one-third of such Directors for the time being liable to retire by rotation (if their number is not three or a multiple of three, then the number nearest to one-third) shall retire from office.

(v) Directors to retire by rotation at every Annual General Meeting shall be those (other than the Chairperson if such Chairperson is a Managerial Personnel of the Company, and such other non-retiring Directors, if any) who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall, unless otherwise agreed among themselves, be determined by lot.

(vi) Subject to the provisions of the Act, a retiring Director shall be eligible for re-election. The Company at the Annual General Meeting in which Director retires, may fill-up the vacated office by appointing the retiring Director or some other person thereto.

(vii) If the place of retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time

and place, or if that day is a public holiday, till the next succeeding day which is not a holiday, at the same time and place, and if at the adjourned meeting also, the place of retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless :

- a) at that meeting or at the previous meeting, a resolution for the re-appointment of such Director has been put to the meeting and lost;
- b) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;
- c) he is not qualified or is disqualified for appointment;
- d) a resolution, whether special or ordinary, is required for his appointment by virtue of any provisions of the Act;
- e) a resolution was moved and passed for appointment of another person in place of the retiring director, but is rendered void pursuant to Section 162(2) of the Act.

(viii) The Board shall have the power to appoint any person or persons as Director(s) nominated by any bank, financial institution or any other lender to the Company in pursuance of the provisions of any Law for the time being in force or any agreement.

57. (i) Subject to Sections 197 and other applicable provisions of the Act, the Directors shall be paid such remuneration, salary and/or allowances as may, from time to time, be approved and determined in accordance with the Act. The remuneration of Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day. In addition to the remuneration payable to the Directors under this Act, all reasonable expenses of Directors, including the Nominee Directors, for attending meetings of the Board or any Committee thereof or General Meetings of the Company or otherwise in connection with the business may be borne by the Company.

(ii) The Directors shall not be required to hold any qualification shares.

58. The Board may pay all expenses incurred in getting up and registering the company.

59. (i) The Directors shall cause a proper register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to registration of mortgages and charges and in regard to inspection to be given to creditors or Members of the Register of Charges and of copies of instruments creating charges. Such sum as may be prescribed pursuant to the Act shall be payable by any person other than a Creditor or Member of the Company for each inspection of the Register of Charges.

(ii) Subject to the provisions of the Act, the Company shall keep and maintain at its registered office or such other place, statutory register(s) as required under the Act.

(iii) The statutory registers and copies of annual return shall be open for inspecting during 10.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at such place where the statutory registers are kept, by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed under the Act.

(iv) The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

(v) The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the Register of Members.

60. (i) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

(ii) **Borrowing Powers -**

- a) Subject to the provisions of Section 73, 179 and 180 of the Act and these Articles, on behalf of the Company, the Board may, from time to time at its discretion, by means of a resolution, and, if statutorily required, passed at a General Meeting, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however where the moneys to be borrowed together with moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves (that is to say, reserves which are available for distribution as dividend) the Board shall not borrow such moneys without consent of the Company in General Meeting.
- b) The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board resolution, or Special Resolution, as the case may be, shall prescribe including by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being; and debentures, debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- c) Any bonds, debentures, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider being for the benefit of the Company.
- d) Subject to the provisions of the Act and applicable Law, any bonds, debentures, debenture stock or other securities may be issued at a discount, premium or at par and with any special privileges as to redemption, surrender, drawing, allotment of shares, appointment of Directors or otherwise.
- e) If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may authorize the person in whose favour such mortgage or security is executed or any other person in trust for him to make calls on the Members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors' power or otherwise and shall be assignable if expressed so to be.

(iii) The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things (directly or through a committee or through employees or authorized representatives), as the Company is by the memorandum of association or otherwise authorized to exercise and do.

(iv) The Board of Directors may, to the extent permissible in Law, have the Company take an insurance as the Board may deem appropriate on behalf of the Directors, including the Managing Director(s), Whole-time Director(s), Manager, Chief Executive Officer, Chief Financial Officer, Company Secretary or such other persons as the Board may deem fit for indemnifying any of them against liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company and the premium paid on such insurance shall, subject to proviso to Section 197(13), not be treated as a part of the remuneration payable to such personnel, if any. Further provided that to the extent such personnel are not directly responsible for such liability the Company shall, to the extent permissible in Law, shall keep them indemnified to the extent insurance is not available.

61. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

62. (i) Subject to the provisions of the Act, the Board shall have the power to appoint alternate and additional director(s).

(ii) The additional director(s) shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act

(iii) **Managing Director & Whole-time Director -**

- a) Subject to the provisions of the Act and these Articles, the Board shall have the power to appoint, remove, replace and dismiss at the same time more than one Managerial Personnel including Managing Director and Whole-time Director, upon such terms and conditions as the Board thinks fit and, the Board may by resolution vest in such Managerial Personnel powers, as it thinks fit, hereby vested in the Board generally, and such powers may be made exercisable for such period or periods and upon such condition and subject to such restrictions as the Board may determine.
- b) Subject to the provisions of Law and requisite permission/approvals of the shareholders and the Central Government, if required, the remuneration of the Managerial Personnel as per the above clause, shall be such as may be determined by the Board from time to time and may be by way of monthly payment, fee for each meeting or participation in profits or by any or all these modes or any other mode not expressly prohibited by the Act.
- c) The terms and period of appointment of the Managerial Personnel shall be determined by the Company from time to time.

XVI. PROCEEDINGS OF THE BOARD

63. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) Subject to provisions of the Act and applicable Law, meetings of the Board shall be held in such manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board and at least four such meetings shall be held every year. Notice of every meeting of the Board of Directors shall be given in accordance with the Act and other applicable Laws. Provided however that the accidental omission to give notice of any meetings of the Board to any Director shall not invalidate any resolution passed at any meeting.
- (iii) The quorum necessary for the transaction of business of the Directors shall be one-third of the total strength of Directors (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher (participation of the Directors by video conferencing or by any other audio visual means shall also be counted for the purpose of quorum) as provided in Section 174 of the Act.
- (iv) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- (v) Every Director present at any meeting of the Board or a committee thereof shall sign his name in a book to be kept for that purpose, to show his attendance thereat.
64. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
- (iii) Each Director shall be entitled to exercise one vote.
65. (i) The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
- (ii) If the office of any Director appointed by the Company in a General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board in terms of applicable provisions of the Act.
66. (i) The Board shall from time to time, elect from amongst itself a Director to be the Chairperson of the Board, and to be the Vice Chairperson of the Board, and determine the periods for which the Chairperson and the Vice Chairperson shall hold such office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Vice Chairperson shall be the Chairperson for that meeting, and in the absence of both the Chairperson and the Vice Chairperson, the Directors present may choose one of their number to be the Chairperson of the meeting.

67. (i) The Board may, subject to the provision of Section 179 and other applicable provisions of the Act, delegate any of their powers to its committees (“Committees”) consisting of such Member or Members of their body as they think fit and they may from time to time revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board of Directors including with relation to sub-delegation of its powers or any other matter. The proceedings of such a Committee shall be placed before the Board at its next meeting or in a subsequent meeting of the Board held within a period of 120 days.

(ii) The meeting and proceedings of any such Committee consisting of two or more Members shall, subject to applicable Law, be governed by the provisions of the Act, other applicable Laws and its charter of constitution for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto.

68. (i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

69. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

70. All acts done by any meeting of the Board or a Committee thereof or by any person acting as a Director, shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be valid as if every such Director or such person had been duly appointed was qualified to be a Director.

71. Save as otherwise expressly provided in the Act, a resolution in writing, signed by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

XVII. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

72. Subject to the provisions of the Act:

(i) the Board of Directors may, from time to time, appoint for such term, at such remuneration and upon such conditions as it may think fit, and at its discretion, remove, a chief executive officer, manager, company secretary or chief financial officer. Such officers may be appointed to perform any functions, which by the Act are to be performed by the chief executive officer, manager, company secretary or chief financial officer respectively, and to execute any other managerial, ministerial or administrative duties or functions, which may, from time to time, be assigned to any of them by the Board of Directors.

(ii) the Board of Directors may appoint one or more chief executive officers for its multiple businesses.

(iii) a Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

(iv) an individual can be the chairperson of the Company as well as the managing director and/or chief executive officer of the Company, at the same time.

73. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

XVIII. DIVIDENDS AND RESERVE

75. (i) The profits of the Company available for payment of dividend subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of the Act and these presents as to the reserve fund and amortisation of capital shall be divisible among the Members in proportion to the amount of capital paid-up by them respectively. Provided always that (subject as aforesaid) any capital paid-up on a Share during the period in respect of which a dividend is declared shall only entitle the holder of such Share to an apportioned amount of such dividend as from the date of payment.
- (ii) The Company in a General Meeting may declare a dividend (other than interim dividend) to be paid to the Members according to their rights and interests in the profits and may fix the time for payment, but no dividend shall exceed the amount recommended by the directors, but a Company may declare a lesser dividend at the General Meeting.
- (iii) No dividend shall be declared or paid by the Company for any Financial Year except out of profits of the Company for that year arrived after providing for the depreciation in accordance with the provisions of Section 123 of the Act or out of profits of the Company for any previous Financial Year or years arrived after providing for the depreciation in accordance with applicable Laws and remaining undistributed or out of both or out of moneys provided by the government for the payment of dividend in pursuance of a guarantee given by the government. No dividend shall carry interest against the Company. No dividend shall be declared unless carried over previous years losses and depreciation not provided in previous year(s) are set off against profit of the Company for the current year.
76. The Directors may, from time to time, and subject to the provisions of Section 123 of the Act, pay to the Members such interim dividends, as in their judgment the position of the Company justifies.
77. (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve.
78. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purposes of these Articles as paid on the Share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any Share is issued on terms providing that it shall rank for dividend as from a particular date, such Share shall rank for dividend accordingly.
79. (i) The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- (ii) Subject to the provisions of Section 123 of the Act, no dividend shall be payable except in cash.

(iii) A transfer of shares shall not pass the right to any dividend declared thereon after transfer and before the registration of the transfer.

80. (i) Unless otherwise directed, any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic means or by cheque or demand draft or warrant or such other permissible means to the registered address of the Member or person entitled or in the case of joint holding, to the registered address of that one whose name stands first in the register in respect of joint holding and every cheque, demand draft or warrant so sent shall be made payable to the Member or to such person and to such address as the shareholder or the joint shareholders in writing may direct.

(ii) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to have made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

81. Any one of the several persons who are registered as the joint holders of any Share, may give effectual receipts for all dividends and payments on accounts of dividends in respect of such shares.

82. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act

83. (i) No dividend shall bear interest against the company.

(ii) Where the Company has declared a dividend but which has not been paid or claimed or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall, within 7 days from the date of expiry of the said period of 30 days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank which shall be called the Unpaid Dividend Account.

(iii) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company along with interest accrued to the fund established under Section 125 of the Act (viz. Investor Education and Protection Fund) in accordance with the provisions of Section 124(5) and other applicable provisions of the Act.

(iv) No unclaimed or unpaid dividend shall be forfeited by the Board and all unclaimed dividends shall be dealt with in accordance with the provisions of the Act.

(v) The Board may retain dividend payable upon Shares in respect of which any person is, under the Articles regarding transmission hereinbefore contained, entitled to become a Member, until such person shall become a Member in respect of such Shares.

XIX. ACCOUNTS

84. (i) The Board shall cause proper books of accounts to be maintained under Sections 128 & 129 of the Act.

(ii) Directors shall, from time to time, determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Law or authorised by the Board of Directors or by the Company in General Meeting.

(iii) At least once in every year, the accounts of the Company shall be balanced and audited and the correctness of the statement of profit and loss and balance sheet ascertained by one or more Auditor or Auditors to be appointed as required by the Act.

(iv) The Company, at the Annual General Meeting, shall appoint an Auditor or Auditors for a term as prescribed under the Act. The appointment and the removal of Auditors and the person who may be appointed as the Auditors shall be as provided in the Act.

(v) The Auditor of the branch office, if any, of the Company shall be appointed by and in the manner provided by Section 143 of the Act.

(vi) The remuneration of the Auditors of the Company shall be fixed and determined in accordance with the provisions of Section 142 of the Act. The powers and duties of the Auditor shall be the same as those provided in the Act.

XX. WINDING UP

85. (i) Subject to the provisions of the Act:-

- a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.
- c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any Shares or other Securities whereon there is any liability.

(ii) **Reconstruction** – In the event of winding up, pursuant to any compromise or arrangement with Creditors and Members under Sections 391 and 394 of the Companies Act 1956, till the same are in force, or under the applicable provisions of the Act when enforced, the liquidator or sponsors of such scheme of arrangement, composition or re-construction may propose the sale of any undertaking thereunder and the Company may accept fully paid-up or partly paid-up shares, debentures or securities of any other Company, whether incorporated in India or not, either then existing or to be formed for the purchase in whole or in part of the property of the Company or for cash consideration. Such scheme shall be approved and passed by the requisite majority and if required by special majority, as required by the court/the Tribunal, as the case may be, monitoring the scheme. The liquidators (in a winding-up) may distribute such shares or securities, or any other property of the Company amongst the contributories without realisation, or vest the same in trustees for them, and may, if authorised by an appropriate resolution, including, if required by Special Resolution, provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and the contributories shall be bound to accept and shall be bound by any valuation or distribution so authorised and may waive all rights in relation thereto, save such statutory rights (if any) under the Act as are incapable of being varied or excluded by these presents.

XXI. INDEMNITY

86. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

XXII. OTHERS

87. (i) A notice (which expression for the purposes of these presents, shall be deemed to include and shall include any summon, notice, process, order, judgment or any other document in relation to or in the winding up of the Company) may be given by the Company to any Member either personally or by sending it by post to him to his registered address or electronic mode or such other mode as is permissible under applicable Law.

(ii) Where a notice is sent by post, the service of such notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice.

Provided that where a Member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post/speed post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, and the same is duly accepted by the Company, the service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member.

(iii) If a Member has no registered address in India and has not supplied to the Company an address within India for giving of notices to him, a notice advertised in a newspaper circulating in the neighborhood of the registered office shall be deemed to be duly given to him on the day on which the advertisement appears.

(iv) A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through electronic mode or through the post in a pre-paid letter, addressed to them by name or by the title of representatives of the deceased or assignee of the insolvent by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

(v) Subject to the provisions of the Act and these presents, notice of every General Meeting shall be given in any manner hereinbefore authorized to:

- a) every Member of the Company, legal representatives of any deceased Member or the assignee of an insolvent Member ;
- b) every Director of the Company
- c) the Auditor or Auditors of the Company;
- d) the Secretarial Auditor; and
- e) the debenture trustee, if any.

(vi) Any notice to be given by the Company shall be signed by or be given under the authority of anyone of the Company Secretary, Chief Executive Officer, Chief Financial Officer or such Director or Officer as the Board may appoint. Such signature may be written or printed or lithographed or affixed in electronic/digital mode or in such other mode as prescribed under the Act.

(vii) Every person who, by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every notice in respect of such Share, which previously to his name and address and title to the Share being notified to the Company, shall have been duly given to the person from whom he derives his title to such Share.

(viii) Subject to the provisions of the Act and these presents, any notice given in pursuance of these presents or document delivered or sent by electronic mode or post to or left at the registered address of any Member or at the address given by him in pursuance of these presents, shall notwithstanding that such Member be then deceased and whether or not the Company have notice of his death, be deemed to have been duly served in respect of any registered Share, whether held solely or jointly by other persons, to such Member until some other person be registered in his stead as the holder or the joint holder thereof and such service shall, for all purposes of these presents, be deemed sufficient service of such notice or document on his or her heirs, executors or administrators and all persons, if any jointly interested with him or her in any such Share.

(ix) Ensuring compliance with applicable Law: Notwithstanding anything stated elsewhere in these Articles, the Directors shall be entitled to take all necessary steps to ensure compliance with applicable Law(s) including, without limitation, the applicable provisions of the Guidelines for Foreign Direct Investment in Indian Entities publishing Newspapers and Periodicals dealing with News and Current Affairs published by the Ministry of Information and Broadcasting, Government of India and subject to the provisions of Sections 58 and 59 of the Act, and the other provisions of applicable law, the Directors may, for contravention of the provisions of Securities and Exchange Board of India Act, 1992, or regulations made thereunder or the Sick Industrial Companies (Special Provisions) Act, 1985, or the Guidelines for Foreign Direct Investment in Indian Entities publishing Newspapers and Periodicals dealing with News and Current Affairs, or other applicable Law for the time being in force, and by giving

reasons, decline to register or acknowledge any transfer or transmission of shares whether fully paid or not, and the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was given to it, send to the transferee a notice of the refusal to accept such transfer or transmission of its shares.

(x) Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

(xi) Confidentiality:-

- a) Every Director, Manager, Auditor, Secretarial Auditor, treasurer, trustee, member of a Committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- b) No Member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process and which in the opinion of the Directors, would be inexpedient in the interest of the Company to disclose.

(xii) General Authority:-

Wherever in the applicable provisions under the Act, it has been provided that any Company shall have any right, privilege or authority or that any Company could carry out any transaction only if the Company is authorized by its Articles, then in that case this article hereby authorizes and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any other specific regulation in that behalf herein provided.

SECTION X: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Prospectus, delivered to the Registrar of Companies, for registration. Copies of the above mentioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Prospectus until the Offer Closing Date.

Material Contracts

1. Offer Agreement dated April 17, 2023 amongst our Company, the Selling Shareholders and the Lead Manager.
2. Agreement dated April 17, 2023 executed amongst our Company, the Selling Shareholders and the Registrar to the Offer
3. Market Maker Agreement dated May 17, 2023 amongst our Company, the Selling Shareholder, the Lead Manager and the Market Maker.
4. Escrow and Sponsor Bank Agreement dated May 09, 2023 among our Company, the Selling Shareholder, the Lead Manager, the Banker to the Offer and the Registrar to the Offer Issue.
5. Underwriting Agreement dated May 17, 2023 amongst our Company, the Selling Shareholder, the Lead Manager and the Underwriter.
6. Share Escrow Agreement dated April 17, 2023 amongst our Company, the Selling Shareholder, the Lead Manager and the Share Escrow Agent.

Material Documents

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated October 20, 2015 issued by the Registrar of Companies, Mumbai.
3. Fresh Certificate of Incorporation Consequent upon Change of Name dated December 14, 2015 from Manthan Agrocom Private Limited to Proventus Agrocom Private Limited issued by Registrar of Companies, Mumbai.
4. Fresh Certificate of Incorporation consequent upon conversion of company to public limited dated March 21, 2023 from Proventus Agrocom Private Limited to Proventus Agrocom Limited issued by Registrar of Companies, Mumbai.
5. Authorisation Letters dated April 12, 2023 issued by the Selling Shareholders consenting to participate in the Offer for Sale.
6. Copy of the Board Resolution dated April 12, 2023 authorizing the Offer and other related matters.
7. Copy of Shareholder's Resolution dated April 13, 2023 authorizing the Offer and other related matters.
8. Board Resolution of our Company dated March 21, 2023 and shareholders resolution dated March 22, 2023 approving the appointment of Durga Prasad Jhavar as Managing Director & CEO, Deepak Kumar Agrawal as Whole Time Director and Shalin Sanjiv Khanna as Whole Time Director.
9. The Examination Report dated May 17, 2023 of the Statutory Auditors, on our Restated Consolidated Financial Statements.

10. Copy of the Statement of Tax Benefits dated May 17, 2023 from the Statutory Auditor.
11. Consents of the Selling Shareholders, Lead Manager, Syndicate Member, Legal Advisor to the Legal Chapter, Registrar to the Offer, Market Maker, Underwriter, Banker to our Company, Banker to the Offer / Sponsor Bank, Statutory Auditor of the Company, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, as referred to, in their respective capacities.
12. Consent letter dated May 17, 2023 from the Statutory Auditors, to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their Examination Report, dated May 17, 2023 on our Restated Consolidated Financial Statement; (ii) the statement of possible special tax benefits available to our Company, its Material Subsidiary and shareholders; and (iii) in respect of their certificates in connection with the Offer.
13. Consent letter dated April 17, 2023 from Sapient Services Private Limited, Chartered Engineer to include his names as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in their capacity as independent chartered engineers.
14. Industry Report titled “Industry Report: Healthy Snacks, Nuts, Seeds & Berries” dated April 13, 2023, issued by Wazir Advisors Private Limited, which is a paid report and was commissioned by us pursuant to an engagement letter dated February 07, 2023 in connection with the Offer.
15. Copies of Audited Consolidated and Standalone Financial Statements of our Company for the stub period ended on December 31, 2022 and for years ended March 31, 2022, 2021 & 2020.
16. Tripartite Agreement dated January 30, 2023 among CDSL, the Company and the Registrar to the Offer.
17. Tripartite Agreement dated January 27, 2023 among NSDL, the Company and the Registrar to the Offer.
18. Due Diligence Certificate dated April 17, 2023 from the Lead Manager.
19. In Principle approval from NSE vide letter NSE/LIST/2315 dated May 15, 2023 to use the name of NSE in the Offer Document for listing of Equity Shares on the NSE EMERGE.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations, guidelines, issued by the Government of India or the guidelines, or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

Ranganathan Subramanian
Chairman and Independent Director

Place: Mumbai
Date: May 17, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations, guidelines, issued by the Government of India or the guidelines, or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

Durga Prasad Jhawar
Managing Director & CEO

Place: Mumbai
Date: May 17, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations, guidelines, issued by the Government of India or the guidelines, or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

Deepak Kumar Agrawal
Whole Time Director

Place: Mumbai
Date: May 17, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations, guidelines, issued by the Government of India or the guidelines, or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

Shalin Sanjiv Khanna
Whole Time Director

Place: Mumbai
Date: May 17, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations, guidelines, issued by the Government of India or the guidelines, or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

Swati Durgaprasad Jhawar
Non Executive Non Independent Director

Place: Mumbai
Date: May 17, 2023

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations, guidelines, issued by the Government of India or the guidelines, or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

Sweta Jitendra Jain
Independent Director

Place: Mumbai
Date: May 17, 2023

DECLARATION

We, Shree JMD Investment Advisors LLP, hereby confirms that all statements and undertakings specifically made or confirmed by us in this Prospectus about us or in relation to us as a Selling Shareholder and our portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Prospectus.

Shree JMD Investment Advisors LLP
Durga Prasad Jhavar
Partner

Place: Mumbai
Date: May 17, 2023

DECLARATION

I, Shalin Sanjiv Khanna, hereby confirms that all statements and undertakings specifically made or confirmed by me in this Prospectus about me or in relation to me as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Prospectus.

Shalin Sanjiv Khanna

Place: Mumbai

Date: May 17, 2023

DECLARATION

I, Sanjiv Jagdish Khanna, hereby confirms that all statements and undertakings specifically made or confirmed by me in this Prospectus about me or in relation to me as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Prospectus.

Sanjiv Jagdish Khanna

Place: Mumbai

Date: May 17, 2023

DECLARATION

Manish Bhagchand Jain HUF hereby confirms that all statements and undertakings specifically made or confirmed by us in this Prospectus about or in relation to us as a Selling Shareholder and our portion of the Offered Shares, are true and correct. Manish Bhagchand Jain HUF assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Prospectus.

For and on behalf of Manish Bhagchand Jain HUF

Manish Bhagchand Jain
Karta

Place: Mumbai

Date: May 17, 2023

DECLARATION

I, Guruprasad Rao, hereby confirms that all statements and undertakings specifically made or confirmed by me in this Prospectus about me or in relation to me as a Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company or any other Selling Shareholder(s) or any other person(s) in this Prospectus.

Guruprasad Rao

Place: Mumbai

Date: May 17, 2023