



VALENCIA NUTRITION LIMITED

Our Company was incorporated as “Valencia Nutrition Private Limited” on April 01, 2013 under the Companies Act, 1956 with the Registrar of Companies, Karnataka bearing Registration No. 068380. Subsequently, the status of our Company was changed to public limited company and the name of our Company was changed to “Valencia Nutrition Limited” vide Special Resolution dated March 09, 2018. A fresh certificate of incorporation consequent to conversion into public limited company was issued to our Company by the Registrar of Companies, Bangalore on April 09, 2018. Thereregistered office of the Company is situated at 601A, Neelkanth Business Park, Nathani Road, Vidyavihar(West), Mumbai- 400 086, Maharashtra, India. For further details in relation to our Company, please refer to the section titled “General Information” beginning on page 37 of this Draft Letter of offer.

Registered Office: 601A, Neelkanth Business Park, Nathani Road, Vidyavihar(West), Mumbai- 400 086, Maharashtra, India.

Tel No: +9122 25094351/2; **Email:** compliance@valencianutrition.com; **Website:** www.valencianutrition.com;

Contact Person: Nishi Jayantilal Jain, Company Secretary & Compliance Officer

Corporate Identification Number: L51909MH2013PLC381314

PROMOTERS OF OUR COMPANY: MANISH TURAKHIA AND DEEPTHI ANAND[#]

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF VALENCIA NUTRITION LIMITED (THE “COMPANY”, “VALENCIA” OR THE “ISSUER”) ONLY

ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10.00/- (RIGHTS EQUITY SHARES) OF VALENCIA NUTRITION LIMITED (“VALENCIA”) OR THE COMPANY OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹[●]/- (RUPEES [●] ONLY) PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●]/- (RUPEES [●] ONLY) PER RIGHTS EQUITY SHARE) (‘ISSUE PRICE’) FOR AN AMOUNT UP TO ₹ 2,200 LAKHS ON A RIGHTS ISSUE BASIS TO THE ELIGIBLE SHAREHOLDERS IN THE RATIO OF [●] RIGHT SHARES FOR EVERY [●] EQUITY SHARES HELD BY SUCH ELIGIBLE SHAREHOLDERS AS ON THE RECORD DATE, [●] (‘ISSUE’). THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, KINDLY REFER TO THE SECTION TITLED ‘TERMS OF THE ISSUE’ BEGINNING ON PAGE 141 OF THIS DRAFT LETTER OF OFFER.

WILFUL DEFAULTERS AND/ OR FRAUDULENT BORROWERS

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

GENERAL RISKS

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The Right Shares have not been recommended or approved by Securities and Exchange Board of India (‘SEBI’) nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Investors are advised to refer “Risk Factors” beginning on page 19 of this Draft Letter of Offer before investing in the Issue.

ISSUER’S ABSOLUTE RESPONSIBILITY

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

LISTING

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

REGISTRAR TO THE ISSUE



BIGSHARE SERVICES PRIVATE LIMITED

Office No S6-2, 6th Floor, Pinnacle Business Park,

Next to Ahura Centre, Mahakali caves Road,

Andheri (East) Mumbai – 400093

Tel No.: +91-022-62638200

Email: rightsissue@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. Suraj Gupta

SEBI Registration No.: INR000001385

ISSUE PROGRAMME

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

[#]Company has received request letter cum undertaking from Deepthi Anand, Promoter of the Company on November 27, 2023 for reclassifying her shareholding from ‘Promoter’ to ‘Public Category’ under Regulation 31 A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our Company has initiated the process of re-classification of Deepthi Anand from ‘Promoter’ to ‘Public Category’ and has made the relevant application and other submissions as prescribed in the Listing Regulations to BSE for the same.

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

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

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SECTION I - GENERAL DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below, which should be considered whilst reading the information contained herein. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective Applicant only and is not exhaustive.

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

The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in section titled 'Industry Overview', 'Statement of Tax Benefits', 'Financial Information', 'Outstanding Litigations and Material Developments' and 'Terms of the Issue' on page 54,50, 77, 132and141respectively, shall have the meaning given to such terms in such sections.

Conventional / General Terms

Term	Description
Valencia Nutrition Limited / The Company / Company / We / Us / Our Company	Valencia Nutrition Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 having its Registered Office at601A, Neelkanth Business Park, Nathani Road, Vidyavihar(West), Mumbai- 400 086, Maharashtra, India.
₹ /Rs. /Rupees /INR	Indian Rupees

Company related Terms

Term	Description
ASBA	Application Supported by Blocked Amount.
AY	Assessment Year.
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Valencia Nutrition Limited.
Auditor of the Company (Statutory Auditor/Peer Review Auditor)	Statutory and peer review auditor of our Company, namely, M/S Shah & Modi., Chartered Accountants
Board of Directors / Board	The Board of Directors of Valencia Nutrition Limited, including all duly constituted Committees thereof.
Companies Act	The Companies Act, 2013 and rules issued thereunder, as amended
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, namely, Nishi Jain
Director(s)	Director(s) ofValencia Nutrition Limited, unless otherwise specified.
DP/ Depository Participant	Depository Participant as defined under the Depositories Act.
Eligible Shareholder(s)	Eligible holder(s) of the Equity Shares of Valencia Nutrition Limitedas on the Record Date.
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity Share of our Company.
Financial Information	Collectively the Annual Audited Financial Statements and Limited ReviewedFinancial Information, unless otherwise specified in context thereof.

Term	Description
ISIN	International Securities Identification Number being INE08RT01016.
Key Management Personnel / KMP	Individuals described in the chapter titled “ <i>Our Management</i> ” on page no. 70 of this Draft Letter of Offer.
Limited Reviewed Report	The limited reviewed unaudited standalone financial statements for the six month period ended September 30, 2023.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Valencia Nutrition Limited.
Promoter(s)	The Promoters of our Company are Manish Turakhia and Deepthi Anand* <i>*Company has received request letter cum undertaking from Deepthi Anand, Promoter of the Company on November 27, 2023 for reclassifying her shareholding from 'Promoter' to 'Public Category' under Regulation 31 A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our Company has initiated the process of re-classification of Deepthi Anand from 'Promoter' to 'Public Category' and has made the relevant application and other submissions as prescribed in the Listing Regulations to BSE for the same.</i>
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations and as disclosed by our Company in the filings made with the BSE Limited under the SEBI (LODR) Regulations.
Registered Office	601A, Neelkanth Business Park, Nathani Road, Vidyavihar(West), Mumbai- 400 086, Maharashtra, India.
Registrar of Companies / RoC	Registrar of Companies, Mumbai, Maharashtra situated at 100, Everest, Marine Drive, Mumbai 400 002, India.
Stock Exchange Designated Stock Exchange/ BSE	BSE Limited.

Issue Related Terms

Term	Description
“Abridged Letter of Offer” or “ALOF”	Abridged Letter of Offer to be sent to the Eligible Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act.
Allot/Allotment/Allotted	Unless the context requires, the allotment of Rights Equity Shares pursuant to this Issue; Allot/Allotment/Allotted.
Allotment Account	The account opened with the Banker to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked in the ASBA Account, with respect to successful Investors will be transferred on the Transfer Date in accordance with Section 40 (3) of the Companies Act.
Allotment Advice	The note or advice or intimation of Allotment sent to the Investors, who have been or are to be allotted the Rights Equity Shares after the basis of Allotment has been approved by the BSE.
Allotment Date	The date on which Allotment is made.
Allottee(s)	Persons who are Allotted Rights Equity Shares are issued pursuant to the Issue.
Applicant(s) / Investors	Eligible Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to this Issue in terms of the Letter of Offer, being an ASBA Investor.
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price.
Common Application Form	Unless the context otherwise requires, a Common application form (through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Right Shares in the Issue.

Term	Description
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ ASBA	Application (whether physical or electronic) used by ASBA Applicants to make an application authorizing the SCSB to block the amount payable on application in the ASBA Account maintained with such SCSB.
ASBA Account	A bank account maintained with an SCSBs and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.
ASBA Applicant /ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renounces) shall make an application for an Issue only through ASBA facility.
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
Banker(s) to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled “General Information” on page no. 36 of this Draft Letter of Offer.
Bankers to the Issue/ Refund Bank	Collectively, the Escrow Collection Bank, Allotment Bank and the Refund Bank to the Issue.
Bankers to the Issue Agreement	Agreement to be entered into by and among our Company, the Registrar to the Issue and the Banker to the Issue for transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and where applicable, refunds of the amounts collected from Applicants/ Investors and providing such other facilities and services as specified in the agreement.
Basis of Allotment	The basis on which the Right Shares will be Allotted to successful Applicants in the Issue, and which is described in the section titled ‘Terms of the Issue’ beginning on page 141 of this Draft Letter of Offer.
Controlling Branches /Controlling Branches of the SCSBs	Such branches of SCSBs which coordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on the website of SEBI at www.sebi.gov.in .
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father/ husband, investor status, occupation, and bank account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&inimid=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Depositories	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Designated Stock Exchange	BSE Limited
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Draft Letter of Offer/ DLoF	This draft letter of offer [●] to be filed with BSE, in accordance with the SEBI (ICDR) Regulations, for their observations.
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e., [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see “Notice to Investors” on page 11 of this Draft Letter of Offer.
Escrow Account(s)	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application through the ASBA facility.

Term	Description
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●]
Issue/ Rights Issue	Issue of up to [●] Equity Shares of face value of ₹ 10 each (“Rights Equity Shares”) of our Company for cash at a price of ₹ [●] (Rupees [●] Only) per Right Share (including a share premium of ₹ [●]) aggregating upto ₹[●] Lakhs on a rights basis to the Eligible Shareholders of our Company in the ratio of [●] ([●]) Right Shares for every [●] ([●]) Equity Shares held by the Eligible Shareholders of our Company on the Record Date i.e. [●].
Issue Closing date	[●]
Issue Material	Collectively, the Letter of Offer, the Abridged Letter of Offer, the Common Application Form and Rights Entitlement Letter.
Issue Proceeds	The proceeds of the Issue that are available to our Company;
Issue Opening date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their applications, in accordance with the SEBI (ICDR) Regulations
Issue Price	₹ [●]/-per Rights Equity Share including a share premium of ₹ [●] per Rights Equity Share.
Issue Size	Amount aggregating upto ₹[●] Lakhs* *Assuming full subscription
Letter of Offer/ LoF	The final letter of offer to be filed with the BSE and SEBI after incorporating the observations received from the BSE Limited on the DLoF.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled ‘Objects of the Issue’ beginning on page 43 of this Draft Letter of Offer.
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Shareholders who intend to renounce their Rights Entitlement in part or full and Renouncees.
Non-Institutional Investors/ NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1) (jj) of the SEBI (ICDR) Regulations.
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum thereto;
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stockbroker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●].
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI (ICDR) Regulations
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Right Shares, being [●].
Refund through electronic transfer of Funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable
Registrar	Bigshare Services Private Limited
Registrar Agreement	Agreement dated December 27, 2023 entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouncees	Any persons who have acquired Rights Entitlements from the Equity Shareholders through renunciation.

Term	Description
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. [●]. Such period shall close on [●] in case of On Market Renunciation. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e. [●].
Retail Individual Investors/ RIIs	An individual Investor (including an HUF applying through karta) who has applied for Rights Shares and whose Application Money is not more than ₹2,00,000.00/- (Rupees Two Lakhs only) in the Issue as defined under Regulation 2(1)(vv) of the SEBI (ICDR) Regulations
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Shareholders.
RE ISIN	ISIN for Rights Entitlement i.e. [●]
Right Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on fully paid-up basis on Allotment.
Self-Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&in tmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&in tmId=35 , as applicable, or such other website as updated from time to time.
SEBI Rights Issue Circulars	SEBI circular dated June 21, 2023 bearing reference number SEBI/HO/CFD/PoD2/P/CIR/2023/00094 issued for the purpose of consolidating the various circulars/directions issued by SEBI under the relevant provisions of the SEBI ICDR Regulations. And SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the BSE.
Wilful Defaulter	A Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1) (III) of SEBI (ICDR) Regulations and in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day(s)	Working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Right Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI;

Technical / Industry Related Terms

Term	Description
CAGR	Compound Annual Growth Rate
DC	Distribution Centre
DSD	Direct Store Delivery
F & B	Food & Beverages
FMCG	Fast Moving Consumer Good
FMHG	Fast Moving Health Goods
FSSAI	Foods Safety and Standards Authority of India
KMP	Key Managerial Personnel
OOH Campaign	Out of Home Campaign
R & D	Research & Development
RTD	Ready to Drink
SE	Sales Executive
SO	Sales Officer

Term	Description
VSM	Vending Service Model

Conventional Terms / General Terms / Abbreviations

Term	Description
ADR	American Depositary Receipt.
AGM	Annual General Meeting.
AIF	Alternative Investment Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
BSE	BSE Limited
CAF	Common Application Form.
CDSL	Central Depository Services (India) Limited.
CFO	Chief Financial Officer;
CIN	Corporate Identification Number.
CIT	Commissioner of Income Tax.
CLRA	Contract Labour (Regulation and Abolition) Act, 1970.
Companies Act, 2013	Companies Act, 2013 along with rules made thereunder.
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
CSR	Corporate Social Responsibility.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018.
Depositories Act	The Depositories Act, 1996.
DIN	Director Identification Number.
DP	Depository Participant.
DP-ID	Depository Participant's Identification.
DR	Depository Receipts.
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation, and amortization expense, as presented in the statement of profit and loss.
EGM	Extra-ordinary General Meeting.
EEA	European Economic Area.
EPS	Earning per Equity Share.
FDI	Foreign Direct Investment.
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws.
FIPB	Foreign Investment Promotion Board.
FPIs	Foreign Portfolio Investors.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI.
FY/Financial Year	Period of 12 months ended March 31 of that particular year, unless otherwise stated.
GAAP	Generally Accepted Accounting Principles.
GDP	Gross Domestic Product.
GDR	Global Depositary Receipt.
GNPA	Gross Net Performing Assets.
GoI/Government	The Government of India.
GST	Goods and Services Tax.
HUF	Hindu Undivided Family.
IndAS	Indian Accounting Standards.
ICAI	The Institute of Chartered Accountants of India.
ICSI	The Institute of Company Secretaries of India.
IFRS	International Financial Reporting Standards.
Indian GAAP/I-GAAP	Generally Accepted Accounting Principles in India.

Term	Description
IncomeTaxAct/ITAct	TheIncomeTaxAct, 1961 and amendments thereto.
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended.
INR / ₹ / Rs. / Indian Rupees	Indian Rupee, the official currency of the Republic of India.
IST	Indian Standard Time.
IT	Information Technology.
MCA	The Ministry of Corporate Affairs, GoI.
Mn / Mn	Million.
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A. or NA	Not Applicable.
NAV	Net Asset Value.
NEFT	National Electronic Fund Transfer.
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
NR/ Non- Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI.
NRE	Account Non-resident external account.
NRI	Non-resident Indian.
NSDL	National Securities Depository Limited.
OCB	Overseas Corporate Body.
p.a.	Per annum.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent account number.
PAT	Profit after Tax.
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934.
RoNW	Return on Net Worth.
SCORES	SEBI Complaints Redress System.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto.
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto.
Securities Act	United States Securities Act of 1933, as amended.
STT	Securities transaction tax.
Trade Mark Act	Trade Marks Act, 1999 and the rules thereunder, including subsequent amendments thereto.
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be.

NOTICE TO INVESTORS

The distribution of the Letter of Offer, Abridged Letter of Offer, Common Application Form and Rights Entitlement Letter (“**Issue Materials**”) and the Issue of Rights Entitlements or the Right Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons in whose possession the Issue Material may come are required to inform them about and observe such restrictions.

Our Company is undertaking this Issue on a rights basis to the Equity Shareholders as on Record Date and will dispatch the Issue Material through email and registered post/speed post to such Eligible Shareholders who have a registered address in India or have provided an Indian address to our Company. The Letter of Offer will be provided, through email and registered post/speed post, by the Registrar on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company or who are in jurisdictions where the offer and sale of the Rights Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access the Issue Material from the websites of the Registrar, our Company, and the Stock Exchange. Those overseas shareholders, who have not updated our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent the Issue Materials.

In case the Eligible Equity Shareholders have provided their valid e-mail address registered with the depositories/ Company, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

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

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

Neither the delivery of the Issue Material nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Issue Material or the date of such information.

THE CONTENTS OF THE ISSUE MATERIALS SHOULD NOT BE CONSTRUED AS BUSINESS, LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE, OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER OF RIGHT ENTITLEMENTS OR RIGHT SHARES. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR, AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX, AND RELATED MATTERS CONCERNING THE OFFER OF THE RIGHTS ENTITLEMENT OR THE RIGHT SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS ENTITLEMENT OR THE RIGHT SHARES REGARDING THE LEGALITY OF AN INVESTMENT

IN THE RIGHTS ENTITLEMENT OR THE RIGHT SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF (“UNITED STATES”), EXCEPT IN A TRANSACTION NOT SUBJECT TO, OR EXEMPT FROM, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT. THERE IS NO INTENTION TO REGISTER ANY PORTION OF THE ISSUE OR ANY OF THE SECURITIES DESCRIBED HEREIN IN THE UNITED STATES OR TO CONDUCT A PUBLIC OFFERING OF SECURITIES IN THE UNITED STATES. ACCORDINGLY, THE ISSUE MATERIAL SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME. IN ADDITION, UNTIL THE EXPIRY OF 40 DAYS AFTER THE COMMENCEMENT OF THE ISSUE, AN OFFER OR SALE OF RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES WITHIN THE UNITED STATES BY A DEALER (WHETHER OR NOT IT IS PARTICIPATING IN THE ISSUE) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

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

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

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

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

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION

Certain Conventions

In this Draft Letter of Offer (“**DLoF**”), unless otherwise indicated or the context otherwise requires, all references to ‘US\$’, ‘\$’, ‘USD’ and ‘U.S. dollars’ are to the legal currency of the United States of America, and references to ‘INR’, ‘₹’, ‘Rs.’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of India. All references herein to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions. All references herein to ‘India’ are to the Republic of India and its territories and possessions and the references herein to ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, central or state, as applicable.

Financial Data

Unless stated otherwise, the financial data in this Draft Letter of Offer is derived from the Audited Financial Statements as of and for the Fiscal ended March 31, 2023, March 31, 2022 and Un-audited Financial Statements for the period ended September 30, 2023 subject to Limited Review Report. For further details, please refer to the section titled “*Financial Information*” beginning on page of 76 this Draft Letter of Offer.

The fiscal year of our Company begins on April 1 of each calendar year and ends on March 31 of the following calendar year. Unless otherwise stated, references in this Draft Letter of Offer to a particular ‘Financial Year’ or ‘Fiscal Year’ or ‘Fiscal’ are to the financial year ended March 31.

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

Currency of Presentation

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

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

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

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in Lakhs.

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Letter of Offer has been obtained from industry sources as well as Government Publications. 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.

Further, the extent to which the industry and market data presented in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

Conversion Rates of Foreign Currency:

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

FORWARD-LOOKING STATEMENTS

We have included statements in this Draft Letter of Offer which contain words or phrases such as ‘will’, ‘may’, ‘aim’, ‘is likely to result’, ‘believe’, ‘expect’, ‘continue’, ‘anticipate’, ‘estimate’, ‘intend’, ‘plan’, ‘contemplate’, ‘seek to’, ‘future’, ‘objective’, ‘goal’, ‘project’, ‘should’, ‘pursue’ and similar expressions or variations of such expressions. Similarly, statements that describe our strategies, objectives, plans or goals are also forward - looking statements

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

- General economic and business conditions in India and in the markets in which we operate and in the local, regional, and national economies;
- Changes in laws and regulations relating to the sectors and industry in which we operate;
- Our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- Changes in Distribution Channel;
- Changes in consumer preferences to new variants;
- Realization of contingent liabilities;
- Occurrence of environmental problems and uninsured losses;
- Increased competition in industries and sector in which we operate;
- Factors affecting the industry in which we operate;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Occurrence of natural disasters or calamities affecting the areas in which we have operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Changes in Government policies and Regulatory actions that apply to or affect our business; and
- The performance of the financial markets in India and globally;

For a further discussion of factors that could cause the actual results to differ, please refer to the section titled “*Risk Factors*” beginning on page 19 of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could materially be different from what occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. Our Company or advisors does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and stock exchange requirements, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

SECTION II – SUMMARY OF THE DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Draft Letter of Offer, including the sections titled “*Risk Factors*”, “*Objects of the Issue*”, “*Industry Overview*”, “*Our Business*” and “*Outstanding Litigations and Material Developments*” and “*Terms of the Issue*” beginning on pages 19, 44, 54, 58, 132 and 141 of this Draft Letter of Offer, respectively.

1. Summary of Industry

The global Nutraceutical market is highly competitive, with numerous international and domestic players. As consumers continue to focus on their health, it is becoming increasingly important for retailers and manufacturers to understand consumers' shifting needs in the Nutraceuticals industry. The prime factors determining the market players and their positions in the concerned market are the ingredients used, target consumers, and the target market segment. The new launches in compliance with the consumer trends in the target segment are likely to further help companies better position themselves in the market.

For further details, please refer to the chapter titled “*Industry Overview*” beginning on page 54 of this Draft Letter of Offer.

2. Summary of primary Business

Our Company is an applied biotechnology company, engaged in the business of development of nutrition based formulation, manufacture of beverages based on the formulations and sale of the same, broadly referred as multi-nutrient functional beverages under the brand of **BOUNCE SUPERDRINKS**. The company's products are presently sold in PET Bottles and Company has plans to sell the same in various forms glass bottles, cans, pouches, sachets, tablets, tetra packs, cardboard and other material cartons and containers and powder. With a fusion of cutting-edge biotechnology and an unyielding passion for well-being, Valencia Nutrition has swiftly established itself as a driving force in the market.

For further details, please refer to the chapter titled “*Our Business*” beginning on page 58 of this Draft Letter of Offer.

3. Our Promoters

The Promoters of our Company are Manish Turakhia and Deepthi Anand*.

**Company has received request letter cum undertaking from Deepthi Anand, Promoter of the Company on November 27, 2023 for reclassifying her shareholding from 'Promoter' to 'Public Category' under Regulation 31 A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our Company has initiated the process of re-classification of Deepthi Anand from 'Promoter' to 'Public Category' and has made the relevant application and other submissions as prescribed in the Listing Regulations to BSE for the same.*

4. Intention And Extension of Participation by Our Promoters

Our Promoter, Manish Turakhia, by its letter dated November 23, 2023 (the “**Promoters Subscription Letter**”) on behalf of the Promoters and Promoter Group of the Company, have confirmed that to (a) subscribe to the full extent of their aggregate Rights Entitlements in the Issue including the renunciation of Rights Entitlements (if any) made in his favour by the other members of the Promoter and Promoter Group; and (b) subscribe to additional Rights Equity Shares, over and above their Rights Entitlements (including the unsubscribed portion in the Issue, if any) jointly or severally, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations in order to achieve the minimum subscription of the Issue in accordance with Regulation 86 of the SEBI ICDR Regulations.

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above their Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with the SEBI SAST Regulations and in case if acquisition of Rights Equity Shares by our

Promoters and our Promoter Group, over and above their Rights Entitlements triggers open offer obligation under SEBI SAST Regulations, our Promoters and our Promoter Group shall comply with the same.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under the Applicable Law.

5. Objects Of the Issue

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

(₹ in Lakhs)

Sr. No.	Particulars	Amount
1.	Adjustment of Unsecured Loans against the Entitlement of the Promoter;	300
2.	Working Capital Requirements	1235.23
3.	Funding expenditure for General Corporate Purposes*	[•]
	Total Net Proceeds**	[•]

*Subject to the finalization of the Basis of the Allotment and the Allotment. The amount utilised for general corporate purposes shall not exceed 25% of the Issue Proceeds.

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

For further details, please refer to the chapter titled “Objects of the Issue” beginning on page 44 of this Draft Letter of Offer.

6. Financial Information

The following table sets forth the summary of financial information derived from the Audited Financial Statements for the Financial Years ended March 31, 2023, March 31, 2022 and Un-audited Financial Statements for the period ended September 30, 2023 as per limited review.

(₹ in Lakhs)

Particulars	For the period ended September 30, 2023	For the Financial Year ended March 31	
		2023	2022
Equity Share Capital	558.53	558.53	558.53
Net Worth	(121.21)	(66.61)	(59.67)
Total Income	64.46	146.06	0.04
Profit/(loss) after tax	(54.61)	(126.28)	(66.17)
Basic and diluted EPS (in ₹)	(0.98)	(2.26)	(1.18)
Net asset value per Equity Share (in ₹)	(2.17)	(1.19)	(1.06)
Total borrowings	290.13	218.07	59.80

For further details, please refer to the chapter titled “Financial Information” beginning on page 77 of this Draft Letter of Offer.

7. Summary of Outstanding Litigations

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

a. Litigations involving our Company

i. Cases filed against our Company:

Nature of Litigation	Number of cases	Amount involved (in Lakhs)
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	Nil	Nil
Tax Proceedings (Direct Tax)	1	83.07
Tax Proceedings (Indirect Tax)	Nil	Nil

Proceedings involving material violations of statutory regulations by our Company	Nil	Nil
Economic offences	Nil	Nil
Material civil litigations above the materiality threshold	Nil	Nil

ii. Cases filed by our Company:

Nature of Litigation	Number of cases	Amount involved (in Lakhs)
Criminal matters	Nil	Nil
Other civil litigation considered to be material by our Company's Board of Directors	Nil	Nil

For further details, please refer to section titled “*Outstanding Litigation and Material Developments*” beginning on page 132 of this Draft Letter of Offer.

8. Risk Factors

For details, please see the section entitled “*Risk Factors*” on page 19 of this Draft Letter of Offer. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

9. Contingent Liabilities

For details of the contingent liabilities, please refer to the section titled “*Financial Statements*” beginning on page 77 of this Draft Letter of Offer.

10. Related Party Transactions

For details of the related party transactions, please refer to the section titled “*Financial Statements*” beginning on page 77 of this Draft Letter of Offer.

11. Issue Of Equity Shares Made in Last One Year for Consideration Other Than Cash

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

12. Split Or Consolidation of Equity Shares in The Last One Year

Our Company has not carried out any corporate action to split or consolidate its equity shares in during the last 1 (One) year immediately preceding the date of filing this Draft Letter of Offer.

SECTION III- RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Draft Letter of Offer, including in “Our Business”, “Industry Overview”, and “Financial Statements” beginning on pages 58, 54 and 77 respectively in this Draft Letter of Offer, before making an investment in our Equity Shares.

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

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

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

Materiality

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

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in future.

INTERNAL RISK FACTORS

- 1. Our business is subject to seasonal and other variations and we may not be able to accurately forecast demand for our products.***

Our sales are subject to seasonal variations. We see higher sales during the first quarter of the financial year i.e. in light of the impending summer months. During the winter and rainy season of each year we see slowdown in the revenue streamline and lower down in sales volumes. While a hot summer and weak monsoon conditions would typically cause a rise in demand for our products, our sales volumes especially in rural areas may not however rise, as rural income and spending typically see a downward shift. Due to these factors, comparisons of sales and operating results between the same periods within a single year, or between different periods in different financial years, are not necessarily meaningful and should not be relied on as indicators of our performance.

We routinely attempt to forecast the demand for our products to ensure we purchase the proper amount of raw materials and have the necessary distribution channels in place to sell our products in peak season. Due to the seasonality of our business, there can be no assurance that the estimates of demand for our products will be accurate. If our estimates materially differ from actual demand, we may experience either excess quantities of raw materials and unsold stock, which we may not be able to utilize or sell in a timely manner or at all or inadequate quantities of raw materials and consequently lower stock of finished goods to meet market demand.

2. ***We could be adversely affected by a change in consumer preferences, perception and spending habits. Further, if our product development efforts to cater to the changing consumer preferences are not successful, our business may be restricted.***

The functional food and functional beverages industry in India is subject to changes in consumer preferences, perceptions and spending habits. Our performance depends on factors which may affect the level and patterns of consumer spending in India. Such factors include consumer preferences, consumer confidence, consumer incomes, consumer perceptions of the safety and quality of our beverages, and consumer interest in diet and health issues. Media coverage regarding the safety or quality of, or diet or health issues relating to functional food and functional beverages and other beverages, or the raw materials, ingredients or processes involved in their manufacturing or bottling, especially in urban and metropolitan areas, may adversely affect consumer confidence in these products. A general decline in the consumption of functional food and functional beverage industry could occur as a result of a change in consumer preferences, perceptions and spending habits at any time and future success will depend partly on our ability to anticipate or adapt to such changes and to offer, on a timely basis, new products that meet consumer preferences. Our failure to adapt our product offerings to respond to changes in consumer preferences may result in reduced demand for our products and a decline in the market share of our products. Any changes in consumer preferences could result in lower sales of our products, put pressure on pricing or lead to increased levels of selling and promotional expenses, resulting in a material adverse effect on our business, financial condition and results of operations.

Our ability to adapt our product offerings to respond to changes in consumer preferences depends upon our ability to understand the consumer tastes and expectations, produce new and better quality products, successfully carry out research and development of new processes and improve existing products. These processes must meet quality standards where applicable and may require regulatory approvals. The development and commercialization process for these products would require time and significant capital and marketing expenditure. Any investments in research and development for future products and processes may result in higher costs which may not necessarily result in corresponding increase in revenues. Any failure or delay in timely development and commercialization of new products or our inability to obtain legal protection for our future products may have a material adverse effect on our business, results of operations and financial condition.

3. ***As the Equity Shares of our Company are listed on the BSE Limited, our Company is subject to certain obligations and reporting requirements under the SEBI (LODR) Regulations, 2015 and comply with other SEBI Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.***

The Equity Shares of our Company are listed on BSE Limited, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI (LODR) Regulations, SEBI Insider Trading Regulations, SEBI Takeover Regulations and SEBI Listing Regulations, to the extent applicable, and have to adhere to and comply with other applicable Regulations framed by SEBI. Though our Company endeavours to comply with all such obligations/reporting requirements, there have been a few instances of non-compliance and delays, such as non-compliance with disclosures to the Stock Exchanges pertaining to delay in furnishing prior intimation about the meeting of the board of directors under Regulation 29 (2)/(3) and Regulation 33 of SEBI LODR Regulation 2015 for which penalty of ₹ 10,000 and ₹53,000 in Financial Year 2020-21 and 2021-22 were imposed respectively.

While our Company has made the non-compliance good upon payment of penalty amount, any future non-compliances/ delays in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties. Further, any adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

4. ***We have contingent liability that disclosed in our Financial Statements, which if realised, could adversely affect our financial condition.***

As at March 31, 2023 as per our Financial Statements, claims against the Company not acknowledged as debts in respect of Income Tax matter pertaining to AY 2018-19 amounting to ₹ 83.07 lakhs. Currently, the matter is pending before Commissioner of Income Tax Appeals.

Further, we cannot assure you that this contingent liability will not become established as liability. In the event this contingent liability becomes established as liabilities, it may have an adverse effect on our financial condition.

5. *Our Company has undergone restructuring and it may affect on our results of operations and revenue of the Company.*

Initially, Mrs. Deepthi Anand and Mr. Manish Turakhia co-owned and promoted our company. Following that, in the year 2023, Mr. Manish Turakhia bought Mrs. Deepthi Anand's shares. As a consequence of the aforementioned transaction, Manish Turakhia and his entities assumed sole promoter of the Company. Company has received request letter cum undertaking from Deepthi Anand, Promoter of the Company on November 27, 2023 for reclassifying her shareholding from 'Promoter' to 'Public Category' under Regulation 31 A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our Company has initiated the process of re-classification of Deepthi Anand from 'Promoter' to 'Public Category' and has made the relevant application and other submissions as prescribed in the Listing Regulations to BSE for the same.

Our Company has undergone restructuring. Our Company had not carried any business operations in the financial year 2021-2022 which results in non-occurrence of any revenue from operations for the financial year ended March, 2022.

Due to the restructuring of the Company, we have faced transition in the business and it may affect our result of operations and revenue of our Company.

6. *Trading of our equity shares has been restricted by the BSE.*

Trading of our equity shares has been restricted on account of GSM-2 by the BSE, thus our equity shares are subject to enhanced monitoring and surveillance actions due to which the investors may face restriction and hindrance in trading. Any such adverse regulatory action or development could affect our Company's operations and result in an adverse effect on the trading price of the Equity Shares.

7. *Intellectual property rights are important to our business and we may be unable to protect them from being infringed by others which may adversely affect our business value, financial condition and results of operations.*

Our brand logos “**VitaMe**”, “**BOUNCE**”, “**PREP**”, “**BOUNCE**” and “**valencia nutrition**” are registered with the Registrar of Trademarks bearing Nos. 2828195, 3435053, 2977367, 5138760 and 5539853 respectively. As on the date of this Draft Letter of Offer, the status of some applied trademarks are objected and request for amendment is pending for processing. Additionally, we have made an application for the registration of our logo “**BOUNCE**”, “**BOUNCE**” and “**BOUNCE**” before the Trade Marks Registry, India which is currently opposed. However, there can be no assurance that our amendment request will succeed. Grounds for refusal of registration may include the validity or scope of the application. If we are unable to obtain a registration, we may still continue to use the logo but remain vulnerable to infringement and passing-off by third parties and will not be able to enforce any rights against them. We may also need to change our logo which may adversely affect our reputation and business and could require us to incur additional costs.

Although, we believe that our present systems are adequate to protect our confidential information and intellectual property, there can be no assurance that our intellectual property data, trade secrets or proprietary technology will not be copied, infringed or obtained by third parties. Further, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property, which may adversely affect our business, financial condition and results of operations. For further details pertaining to our intellectual property, please refer to the chapter titled “*Our Business*” beginning on page 58 of this Draft Letter of Offer.

8. *Our products have a specific shelf life, which if not sold before expiry may lead to losses or if consumed after the expiry of the shelf life, could lead to health hazards, thereby affecting our reputation, business and results of operations.*

Our products are perishable in nature and come in PET bottle packaging and have a shelf life of maximum six to nine months. While we attempt to forecast the demand for our products and accordingly carry out manufacturing, we cannot assure you that we will be able to accurately forecast demand at all times and that we will not be left with surplus stock of products from time to time. Any such unsold stock would be required to be sold by us and consumed by the end customer before the expiry of the shelf life. We may be unable to arrange for sale of surplus stock in a timely manner, which may adversely affect our results of operations and profitability. In addition, even if we are able to arrange for sale of such stock, we cannot ensure that such products are not sold or consumed by consumers post the expiry of the shelf life. If consumed post expiry of the shelf life, it may lead to health hazards. 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 post their shelf life. Any or all of these factors, could adversely affect our reputation, the strength of our brand, and may also affect our business and results of operations.

9. *Our Company had reported Negative Cash flow from operating activities in the past years, details of which is given below. Sustained negative cash flow could impact our growth and business.*

Our Company has experienced negative cash flows from operating activities in the previous years, as per the Audited Financial Statements and the same are summarized as under:

(₹ in lakhs)

Particulars	As on March 31,		
	2023	2022	2021
Cash Flow from Operating Activities	(155.28)	(134.94)	(249.24)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. However, if we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations.

10. *We have incurred losses in the recent past. We also have accumulated losses of ₹ 550.09 lakhs for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 and continuous financial losses incurred by us may be perceived adversely by external parties such as clients and bankers, which may affect our reputation, business, financial condition and results of operation.*

Our Company has incurred losses until the Financial Year ended March 31, 2023 the details of which are provided below:

(₹ in lakhs)

Particulars	Amount
Loss incurred for the year ended March 31, 2023	126.28
Loss incurred for the year ended March 31, 2022	66.17
Loss incurred for the year ended March 31, 2021	357.64

We are positioned to grow in the market based on our current strengths but there can be no assurance that we will not incur losses in any future periods, or that there will not be an adverse effect on our reputation or business as a result of such losses. Such losses incurred by us may be perceived adversely by external parties such as customers, bankers and suppliers, which may affect our reputation.

11. *We derive a significant portion of our revenues from our top ten customers. The loss of revenues from such customers, in particular would have an adverse impact on our results of operations and financial condition.*

We are dependent on a limited number of key customers for a significant portion of our revenues. For the half year ended September 2023 and financial year ended March 2023, our top ten customers contribute approximately 82.77% and 67.68% of our total revenue from operations respectively. We do not typically have exclusivity arrangements with our customers, including our key customers. We cannot assure you that

we will be able to maintain historic levels of business from our key customers. The loss of one or more of our significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows.

We presently do not have any long-term or exclusive arrangements with any of our customers and we cannot assure you that we will be able to sell the quantities we have historically supplied to such customers. There can also be no assurance that our customers will place their orders with us on current or similar terms, or at all. Further, our customers could change their business practices or seek to modify the terms that we have customarily followed with them, including in relation to their payment terms. Although our Company maintains long-term relationship with our major customers, there can be no assurance that we will continue to maintain such relationship with our customers.

Our inability to maintain our existing customer network could have a negative impact on our sales, business growth prospects, result in slowdown of operation, financial conditions and cash flows. Further, the performance of our customers, their sales network and their ability to expand their businesses are crucial to the future growth of our business and directly affect our sales volume and profitability. If any of the customers fails to sell our products to the end customers, or if our relationships with our customers are affected, our profitability could be significantly affected.

12. Our business utilises outsourcing model for manufacturing of the products. The loss of or shutdown of operations of manufacturing facility may have a material adverse effect on our business, financial condition and results of operations.

Our company has entered in agreement with third party manufacturers based out of Gujarat, Tamil Nadu and Andhra Pradesh to utilise outsourcing model for manufacturing. The manufacturing facility is subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities.

The occurrence of any of these risks including termination of any contractual relationship of our Company with these manufacturers could significantly affect our operating results. Although taking precautions to minimize the risk any such disruptions could materially and adversely affect our business, financial condition and results of operations.

13. Our registered office and Godown for storing raw materials are used by us on sharing/ rental basis. There can be no assurance that these agreements / arrangements will be renewed upon termination or that we will be able to obtain other premises on rent or otherwise on same or similar terms.

Our registered office and Godown for storing raw materials are used by us on sharing / rental basis and we do not own any of these premises. In the event such arrangements are ceased or the rental agreements are not renewed or are terminated, it could adversely affect our operation unless we arrange for similar premises. Any termination of the sharing arrangement or rental agreement or our failure to renew the same, and upon favourable conditions, in a timely manner or at all could adversely affect our operations. Non continuation of any arrangement / agreement would affect our business operations and also affect our financials adversely.

Further, we do not have a registered leave and license agreement for the property situated at Chennai which is used as a Godown. The terms and conditions of the same are mutually decided between the parties in the absence of agreement. For further details pertaining to our properties, please refer to the chapter titled “Our Business” beginning on page 58 of this Draft Letter of Offer.

14. We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licences or comply with such rules and regulations, and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said

permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition.

Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs, be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations.

15. The functional foods and beverages industry in India could face slower growth and introduction of substitute products may adversely affect our sales volume and profitability.

We cannot assure you that this industry will continue to grow at this rate in the future. Nutraceutical industry in India has just begun and is still in its early stages and may experience slower growth in the future due to various market saturations, especially in the health drinks segment and competition from alternative products, such as dairy products and from fresh, unpackaged juices from local retailers, especially in semi urban and rural areas, which is our focus market. Growth in the market for functional food and beverages may also be impacted by a variety of other factors such as changes in the purchasing behaviour of Indian consumers, or on account of a general slowdown in the Indian economy and consequent reduction in spending. We cannot assure that the functional food and beverages market in India will be able to continue the growth rate it has experienced in the past or will be able to maintain the steady growth we expect. If the functional food and beverages industry in India does not grow as we expect, our sales volume and profitability may be adversely affected.

16. The availability of spurious, look-alike and counterfeit products or a negative publicity of our products could lead to lost revenues and harm the reputation of our product and consequently our Company.

We are exposed to the risk that entities in India and elsewhere could pass off their products as ours, including spurious or pirated products. For example, certain entities could imitate our brand name, packaging material or attempt to create look-alike products. There could also be attempts to show our products in bad light. These may not only reduce our market share due to a decrease in demand for our products, whereby we may not be able to recover our initial development costs or experience losses in revenues, but could also harm the reputation of our brands and consequently our company. The proliferation of unauthorized copies of our products, and the time lost in defending claims and complaints regarding spurious products and in initiating appropriate legal proceedings against offenders who infringe our intellectual property rights could decrease the revenue we receive from our products and have a material adverse effect on our reputation, business, financial condition and results of operations.

17. As on the date of this Draft Letter of Offer, we have not received any investor complaint on SCORES.

We have constituted Stakeholder Relationship Committee for redressal of investor grievances. As on the date of this Letter of Offer, we have not received any complaint on SCORES portal and there is no assurance that in future the complaint will not arise and the Company will be able to resolve each and every investor complaint received on SCORES.

18. We may be unable to grow our business in semi urban and rural markets, which may adversely affect our business and results of operations.

While we believe that semi urban and rural markets in India are under penetrated, and that with rising disposable income and aspiration levels, these markets offer a significant growth opportunity for us, we cannot assure you that we will be able to grow our business in these markets as we expect or at all. Poor infrastructure and logistical challenges, especially in rural markets, may prevent us from expanding our presence in these markets, including growing our distribution network. Further, consumers in semi urban and rural markets are typically price conscious and our inability to maintain our costs, including costs of our raw materials, may cause our products to become costlier and therefore, uncompetitive in these markets.

Further, general income levels may not continue to rise as anticipated by us, and any fall in disposable income in rural areas may adversely affect the sale of our products.

19. *We have not entered into any long-term agreements with our suppliers for procuring our products and accordingly may face disruptions in supply from our current suppliers.*

Our raw material requirements include ingredients required for production of multi nutrient functional drinks as well as processing aid materials. In addition, we use packaging and labeling materials. The key ingredients and raw materials required for the production of our drinks include purified water, multiple vitamins & electrolytes, sucrose, glucose, stevia, flavouring agents, colouring agents & stabilisers. Processing aid materials are indirect materials but are required to complete the manufacturing cycle. Packaging materials include preforms, corrugated boxes, PET preforms, labels, caps etc. These materials are procured by our Company from local suppliers at negotiated prices.

These suppliers provide us the products based on trust, service and the ready finance provided by us. In the absence of written agreements, our suppliers can withdraw the orders from us at any time. There can be no assurance that there will not be a significant disruption in the supply of these traded goods from current sources, or, in the event of a disruption, that we would be able to locate alternative suppliers of the goods of comparable quality on terms acceptable to us, or at all. Identifying a suitable supplier involves a process that requires us to become satisfied with their quality control, consistency, responsiveness and service, financial stability and other ethical practices. If we are unable to maintain our relationship with our current suppliers it may prove difficult to obtain the same from other international and / or national players.

Any delay, interruption or increased cost in the supply of our products arising from a lack of long-term contracts could have an adverse effect on our ability to meet customer demand for our products and result in lower revenue from operations both in the short and long term.

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

Our products depend on customer's expectations and choice or demand of the customer. Any failure to maintain the quality standards may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our products will always be able to satisfy our customer's quality standards. Any negative publicity regarding our Company or products, including those arising from any deterioration in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation, our operations and our results from operations. Introduction of new products or for any other reason and failure on our part to meet their expectation could adversely affect our business, result of operations and financial condition. While, we believe that we have always introduced new products to cater to the growing demand of our customers and also endeavour regularly to update our products, our failure to anticipate or to respond adequately to changing market demands and/or consumer requirements could adversely affect our business and financial results.

21. *Increase in costs or a shortfall in availability of our raw materials could have a material adverse effect on our Company's sales, profitability and results of operations.*

Our Company is dependent on third party suppliers for procuring our raw materials. We are exposed to fluctuations in the prices of these raw materials as well as its unavailability, particularly as we typically do not enter into any long term supply agreements with our suppliers and our major requirement is met in the spot market. The cost and availability of our raw materials are subject to a variety of factors and any increase in their cost and their availability at a reasonable price or at all, could adversely affect our margins, sales and results of operations. Further the prices of these raw materials are subject to price fluctuation due to various factors beyond our control, including but not limited to severe climatic conditions, outbreak of diseases and governmental regulations, which may reduce supply and lead to increase in food and supply costs. Any of these and other factors may cause a shortage of raw materials or unavailability of raw materials at a reasonable price. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. Though we enjoy favourable terms from the suppliers both in prices as well as in supplies, our inability to obtain high quality materials in a timely and cost-effective manner would cause delays in our production cycles and delivery schedules, which may result in the loss of our customers and revenues.

- 22. *We sell our products in competitive markets and our inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations.***

This Nutraceutical industry is a niche segment, with a handful of established players to cater to such a large market. However, we still face competition in our business from other existing manufactures of Nutraceutical beverages. We sell our products in competitive markets and there are many players in the market making similar products like ours, if we are not able to compete with them through our marketing tactics, we might lose our Market share in future. We compete with our competitors on a regional or product line basis. Many of our competitors are manufacturing companies with strong brand recognition. We believe that the principal factors affecting competition in our business include taste of product, branding, abilities of research and development team to manufacture new products, market focus and the relative quality and price of the products.

- 23. *Business promotion expenditure is a huge component of our expenses and is likely to increase in future.***

Nutraceutical industry is comparatively new in market and not widely recognized as not many players exist and for public it is a new concept, hence marketing the brands is one of our key focus areas. The primary aim of our marketing campaigns is to build brand awareness for our products and brands. Marketing campaigns are handled directly by the Company, some of the marketing strategies include distribution of free samples in core market areas, advertisement through hoardings, pamphlets, posters and so on. A significant amount of marketing is also done via digital and social media channels.

Our business promotion expense is a major component of our total expenses. The total expenditure incurred by Company on advertisement and promotion during the financial year 2022-2023 amounts to ₹11,23,270 which is 14.32% of the other expenses and this expenditure is likely to increase in upcoming years.

- 24. *If we are unable to manage our growth effectively or if our estimates or assumptions used in developing our strategic plan are inaccurate or we are unable to execute our strategic plan effectively, our business and prospects may be materially and adversely affected***

A number of factors, including, our execution capability, our ability to maintain customer satisfaction, macroeconomic factors beyond our control such as decline in global economic conditions, availability of cheaper substitutes / competitors, the greater difficulty of growing at sustained rates from a larger revenue base, our inability to control our expenses and the availability of resources for our growth. There can be no assurance that we will not suffer from capital constraints, operational difficulties or difficulties in expanding existing business operations. Our development and expansion strategies will require substantial managerial efforts and skills and the incurrence of additional expenditures and may subject us to new or increased risks. We may not be able to efficiently or effectively implement our growth strategies or manage the growth of our operations any failure to do so may limit future growth and have an adverse effect on our business.

Further, if the sales estimates or assumptions used in our project vary significantly from actual conditions, our sales, margins and profitability could be impacted. For instance, revenues may not grow as quickly as we currently expect, and we may be incorrect in our assumptions and expectations of consumer preferences during our designing of new projects. Also, the fund requirement and deployment for our strategies are based purely on management estimates and assumptions considering the current market scenario and are subject to revision in the light of changes in external circumstances or costs. If we are unsuccessful in executing our strategic plan, or if the underlying estimates or assumptions used to develop our strategic plan are materially inaccurate, our business and financial condition would have an adverse impact.

- 25. *Our Company has not taken any insurance policy with regards to its registered office, in the event of any material hazards our company may adversely affect our business, results of operations and financial condition.***

As on the date of this Draft Letter of Offer, our Company has not taken any insurance policies in relation to any calamities. In the event of any uncertain events our business and other assets could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which will not be compensated by insurance. There can be no assurance that in the event of any hazards, whether we will be able to sustain our operations again within reasonable time frame. If our Company suffers a large loss we may be required

to make substantial payments and our results of operations and financial condition may be adversely affected.

Further, if we are to obtain fresh insurance, we have to incur costs not yet provided for in our financials. Also, we cannot guarantee that we will be able to identify an insurance policy suitable to our needs within a reasonable premium. If we buy new policies we may have to put a strain on our existing cash flows and thus affect our results of operation and financial condition.

- 26. *We have, in the past, entered into related party transactions and may continue to do so in the future. We cannot assure you that such transactions, individually or in the aggregate, may always be in the best interests of our shareholders.***

We have entered into various transactions with related parties. While we believe that we have obtained requisite approvals under applicable laws, wherever required, for all such transactions and have carried them out on an arms-length basis and on commercially reasonable terms, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. For more details on our related party transactions, see our Financial Statements. We cannot assure you that such transactions, individually or in the aggregate, may always be in the best interests of our shareholders.

- 27. *Any non-availability of technical, skilled, semi-skilled and un-skilled manpower and / or increased employee costs could negatively affect our ability to operate efficiently and result in disruptions to our operations.***

Our operations are dependent on access to a large pool of technical, skilled, semi-skilled and un-skilled manpower. Our dependence on such technical, skilled, semi-skilled and un-skilled manpower may result in significant risks for our operations, relating to the availability of such manpower. There can be no assurance that we will have adequate access to the required manpower at reasonable rates, as and when required, or at all. As a result, we may be required to incur additional costs to ensure smooth running of our operations. Our inability to pass the increased costs to customers may impact our profitability and future growth prospects.

- 28. *Any damages caused by fraud or other misconduct by our employees could adversely affect our business, results of operations and financial condition.***

We may be exposed to operational risk arising from inadequacy or failure of internal processes or systems or from fraud. We may be susceptible to fraud or misconduct or theft by employees or outsiders, unauthorized transactions by employees and operational errors. Employee or executive misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and reputational or financial harm, including our brand. Our management information systems and internal control procedures are designed to monitor our operations and overall compliance. However, they may not be able to identify non-compliance and/or suspicious transactions in a timely manner or at all. In addition, certain internal control processes are carried out manually, which may increase the risk of human error, tampering or manipulation which may result in losses that may be difficult to detect. As a result, we may suffer monetary losses which adversely affect our business, results of operations and financial condition.

- 29. *We are heavily dependent on our Promoter, Directors and Key Managerial Personnel (KMPs) for the continued success of our business through their continuing services and strategic guidance and support.***

We depend significantly on our Individual Promoters, Directors, Key Managerial Persons for executing our day to day activities. The loss of any of our KMPs may result in disturbances in our day to day activities. Our KMPs over the years has proved their loyalty, ability and dedication and in case they do not continue their services with us, we cannot guarantee that we will be able to recruit suitable or comparable replacements at reasonable costs or at all. Our inability to retain, recruit and train our KMPs in the future could have an adverse effect on our operations. The loss of service of the Promoter or Directors could seriously impair the ability to continue to manage and expand the business efficiently. For further details of our Directors and Key Managerial Personnel, please refer to Section “Our Management” on page no 70 of this Draft Letter of Offer.

30. *In addition to normal remuneration, other benefits and reimbursement of expenses some of our Directors, Promoters and Key Management Personnel may be interested in our Company to the extent of their shareholding and dividend entitlement in our Company.*

Some of our Directors, Promoters and Key Management Personnel may be interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our Directors, Promoters or our Key Management Personnel would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Promoters and Directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our Promoters or Directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Promoters and Directors will always act to resolve any conflicts of interest in our favour, thereby adversely affecting our business and results of operations and prospects.

31. *Our Promoters together with our Promoter Group will continue to retain majority shareholding in our Company subsequent to the Issue, which will allow them to exercise significant influence over our Company. We cannot assure you that our Promoters and/or our Promoter Group will always act in our Company's or your best interest.*

Our Promoter and our Promoter Group currently holds 63.88% of the equity shares in the Company. Upon completion of the Issue, our Promoter and Promoter Group will own [●] Equity Shares, or [●]% of our post-Issue Equity Share capital. Accordingly, our Promoter and Promoter Group 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 memorandum and articles of association, 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 and Promoter Group as our Company's controlling shareholders could conflict with our Company's interests or the interests of its other shareholders. We cannot assure you that the Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's or the shareholders favour.

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

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. In the past, we have not made dividend payments to the Shareholders of our Company. The Company may decide to retain all future earnings, if any, for use in the operations and expansion of the business. In such situation, the Company may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot state with any certainty whether we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

33. *The requirements of being a public listed company may strain our resources and impose additional requirements.*

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchanges which require us to file unaudited financial results on a quarterly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could

have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company.

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

Our Company intends to use the Net Proceeds for the purposes described under section titled "*Objects of the Issue*" beginning on page 44 of this Draft Letter of Offer. Subject to this section, our management will have broad discretion on deployment of the Net Proceeds. Our funding requirements and the proposed deployment of the Net Proceeds of the Issue are based on management estimates, and our current business plan, and have not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies.

Further, the deployment of the Net Proceeds will be at the discretion of our Company and we cannot assure you that we will be able to monitor and report the deployment of the net proceeds in a manner similar to that of a monitoring agency, in the absence of a requirement for us to appoint one under the SEBI (ICDR) Regulations. We may have to revise our expenditure and funding requirements as a result of variations in costs, estimates, quotations or other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling planned expenditure and funding requirements at the discretion of our Board.

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

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

- 36. You may not receive the Equity Shares that you subscribe in the Issue until approximately fifteen days after the date on which this Issue closes, which will subject you to market risk.***

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

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

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

- 38. *In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects / schedule of implementation of this Issue which would in turn affect our revenues and results of operations.***

The funds that we receive would be utilized for the Objects of the Issue as has been stated in the Chapter “Objects of the Issue” on page no 43 of the Draft Letter of Offer. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

- 39. *We have not commissioned an industry report for the disclosures made in the section titled “Industry Overview” and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.***

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the section titled “Industry Overview” beginning on page 54 of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

ISSUE SPECIFIC RISK

- 40. *SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021 and October 01, 2021 streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021, and October 01, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see “Terms of the Issue” on page 141 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

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

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their

demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

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

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see “*Terms of the Issue*” on page 141.

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

Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Rights Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant’s decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants’ ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

44. Investors will be subject to market risks until the Equity Shares are credited to the investor’s demat account are listed and permitted to trade.

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

45. Any further issuance of Equity Shares by Our Company or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares.

Any future issuance of Equity Shares by our Company could dilute the investors’ shareholding. Any such future issuance of Equity Shares or sales of Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares, and could impact our ability to raise capital through an offering of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

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

The price of the Equity Shares will be subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

47. *We may decide not to proceed with this Issue at any time before allotment. If we decide not to proceed with the Issue after the Issue Opening Date but before Allotment, the refund of Application amounts deposited will be subject to us complying with our obligations under applicable laws.*

The Company reserves the right not to proceed with this Issue at any time before the Allotment. If we withdraw the Issue after the Issue Opening Date, we will be required to refund all Application amounts deposited within 4 days of the Issue Closing Date. We shall be required to pay interest at the rate of 15% per annum on the Application amounts received if refund orders are not dispatched within 4 days from the Issue Closing Date. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment and (ii) the final RoC approval, if required.

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

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. In the past, we have not made dividend payments to the Shareholders of our Company. The Company may decide to retain all future earnings, if any, for use in the operations and expansion of the business. In such situation, the Company may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot state with any certainty whether we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (STT) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. In addition, changes in the terms of tax treaties or in their interpretation, as a result of renegotiations or otherwise, may affect the tax treatment of capital gains arising from a sale of Equity Shares.

EXTERNAL RISK FACTORS

50. *The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.*

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

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

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

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

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

53. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.*

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

54. *Instability in financial markets could materially and adversely affect our results of operations and financial condition.*

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

55. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business.

Any adverse revisions to India's debt ratings by domestic or international rating agencies may adversely affect our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our Company's business and financial performance and ability to obtain financing for capital expenditures.

56. Conditions in the Indian securities market and stock exchanges may affect the price and liquidity of our Equity Shares.

Indian stock exchanges, which are smaller and more volatile than stock markets in developed economies, have in the past, experienced problems which have affected the prices and liquidity of listed securities of Indian companies. These problems include temporary exchange closures to manage extreme market volatility, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time-to-time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, there had been a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of our Equity Shares.

SECTION IV – INTRODUCTION

THE ISSUE

This Issue has been authorised by way of a resolution passed by our Board of Directors on December 12, 2023, in pursuance of Section 62 of the Companies Act, 2013.

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in “*Terms of the Issue*” on page 141 of this Draft Letter of Offer.

Right Shares proposed to be Issued in this Issue	Upto [●] Rights Equity Shares.
Rights Entitlement for Equity Shares	Upto [●] ([●]) Rights Equity Shares for every [●] ([●]) Equity Shares held on the Record Date i.e. [●].
Record Date	[●]
Fractional Entitlement	For Equity Shares being offered under this Issue, if the shareholding of any of the Eligible Shareholders is less than [●] Equity Shares or is not in multiples of [●] Equity Shares, the fractional entitlement of such Eligible Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of 1 (One) Additional Right Share each, if such Eligible Shareholders have applied for Additional Right Shares over and above their Rights Entitlements, if any.
Face Value per Equity Share	₹10.00/- (Rupees Ten Only) each.
Issue Price per Equity Share	₹ [●]/- (Rupees [●] Only) including a premium of ₹ [●]/- (Rupees [●] Only) per Rights Equity Share.
Issue Size	Upto ₹2,200 Lakhs
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank paripassu in all respects with the Equity Shares of our Company.
Equity Shares outstanding prior to the Issue	55,85,341 fully paid up Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] [#] fully paid up Equity Shares
Terms of the Issue	Please refer to the section titled “ <i>Terms of the Issue</i> ” beginning on page 141 of this Draft Letter of Offer.
Use of Issue Proceeds	Please refer to the section titled “ <i>Object of the Issue</i> ” beginning on page 44 of this Draft Letter of Offer.
Security Code/ Scrip Details	ISIN: INE08RT01016 BSE Scrip Code: 542910 BSE Scrip ID: VALENCIA; ISIN for Rights Entitlements: [●]

#Assuming full subscription of the Issue.

For details in relation to fractional entitlements, see “*Terms of the Issue-Fractional Entitlements*” beginning on page 147 of this Draft Letter of Offer.

TERMS OF PAYMENT

Amount payable per Right Share	Face Value	Premium	Total
On Application	₹10.00/-	₹[●]	₹[●]

ISSUE SCHEDULE

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

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

***The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

GENERAL INFORMATION

Our Company was incorporated as “Valencia Nutrition Private Limited” on April 01, 2013 under the Companies Act, 1956 with the Registrar of Companies, Karnataka bearing Registration No. 068380. Subsequently, the status of our Company was changed to public limited company and the name of our Company was changed to “Valencia Nutrition Limited” vide Special Resolution dated March 09, 2018. A fresh certificate of incorporation consequent to conversion into public limited company was issued to our Company by the Registrar of Companies, Bangalore on April 09, 2018. Our registered office is situated at 601A, Neelkanth Business Park, Nathani Road, Vidyavihar(West), Mumbai- 400 086, Maharashtra, India.

The Corporate Identity Number of our Company is L51909MH2013PLC381314

Registered Office of our Company

Valencia Nutrition Limited

601A, Neelkanth Business Park,
Nathani Road, Vidyavihar(West),
Mumbai- 400 086, Maharashtra, India.

Telephone:+9122 2509 4351/2

Fax No:NA

Email:compliance@valencianutrition.com

Website:www.valencianutrition.com

Registration Number:381314

Registrar of Companies

Our Company is registered at the Registrar of Companies, Mumbai located at 100, Everest, Marine Drive, Mumbai 400 002, India.

Changes in Registered Office

The details of changes in Registered Office during last Three years of our Company are set out below:

Date of Change of Registered Office	Old Address	New Address	Reason for Change
March 01, 2021	D. No. 134, 6th Main, 1st Block, Banashankari, 3rd Stage, Bangalore - 560 085, Karnatak	No. 372, 1st Floor, Cabin No. 105, WS No. 3, 6th Cross, Golden Square, Wilson Garden, Bangalore	Administrative
March 11, 2022	No. 372, 1st Floor, Cabin No. 105, WS No. 3, 6th Cross, Golden Square, Wilson Garden, Bangalore	SH-4, A Wing, Bldg. No. 34, Tilak Nagar Chembur Sahvas Co-operative HSG Soc, Mumbai City, Mumbai	Administrative
October 09, 2023	SH-4, A Wing, Bldg. No. 34, Tilak Nagar Chembur Sahvas Co-operative HSG Soc, Mumbai City, Mumbai	601A, Neelkanth Business Park, Nathani Road, Vidyavihar (West), Mumbai- 400 086, Maharashtra, India	Administrative

Board of Directors of our Company

The following table sets forth the Board of Directors of our Company:

Sr. No	Name	Age	Designation	Address	DIN
1.	Manish Turakhia	57	Managing Director	Flat No-104, floor no-1, MithilaBldg, Neelkanth Kingdom, Vidhyavihar west, Ghatkopar west, Mumbai Suburban-400086, Maharashtra, India	02265579
2.	PrabhhaShankarran	53	Whole-time Director	Sankaran, B7-201, L & T South City, BannerghattaRoad, ArekereMlco Layout, Bangalore South, Karnataka,560076, India.	07906258
3.	Jay Shah	25	Whole-time Director and Chief Financial Officer	505, Nandadevi, Neelkanth Valley, 7 th Road, Rajawadi, Ghatkopar East, Mumbai-400077, Maharashtra, India.	09072405
4.	StavanAjmera	36	Chairman and Non-Executive Director	A/102, Om Siddharth Apartment Kulupwadi Near national park Borivali East Mumbai, Maharashtra-400066, India.	08112696
5.	Paresh Desai	52	Non-Executive Director	504, Mithila, Nathani Road, Behind Bus Stop, Neelkanth Kingdom, Vidyavihar West, Mumbai, Maharashtra-400086, India..	07412510
6.	Geet Shah	38	Non-Executive Independent Director	1702, 17 th Floor, Emerald Else, Saki Vihar Road, Powai, Mumbai Suburban, Maharashtra-400072, India..	08532430
7.	JaiminPatwa	38	Non-Executive Independent Director	1301, Zinnia NaharAmrit Shakti, Chandivali, Powai, Mumbai, Nahar International School, Mumbai Suburban, Maharashtra, 400072.	08613495
8.	EshanyaGuppta	47	Non-Executive Independent Director	C/O, Emirus Building, Flat 1611, Near Baner, Bigbiz, Pune City, N.I.A, Pune Maharashtra, 411045, India.	01727743

For further details of our Board of Directors, please refer to the section titled '*Our Management*' beginning on page 70 of this Draft Letter of Offer.

CHIEF FINANCIAL OFFICER

Jay Shah is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

601A, Neelkanth Business Park,
Nathani Road, Vidyavihar (West),
Mumbai- 400 086, Maharashtra, India.

Telephone: +9122 2509 4351/2

Fax No: NA

Email: compliance@valencianutrition.com

Website: www.valencianutrition.com

COMPANY SECRETARY AND COMPLIANCE OFFICER

Nishi Jain is the Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder.

601A, Neelkanth Business Park,
Nathani Road, Vidyavihar (West),
Mumbai- 400 086, Maharashtra, India.

Telephone:+9122 2509 4351/2

Fax No: NA

Email:rightsissue@bigshareonline.com

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

REGISTRAR TO THE ISSUE

Bigshare Service Private Limited

Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali caves Road,
Andheri (East) Mumbai – 400093

Tel No.: +91-022-62638200

Email:rightsissue@bigshareonline.com

Website: www.bigshareonline.com

Investor Grievance Email:investor@bigshareonline.com

Contact Person: Mr. Suraj Gupta

SEBI Registration No.: INR000001385

Validity of Registration: Permanent

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process) For details on the ASBA process, see section titled “*Terms of the Issue*” beginning on page 141 of this Draft Letter of Offer.

STATUTORY AND PEER REVIEW AUDITOR OF OUR COMPANY

M/s.Shah & Modi.,

Chartered Accountants

Email: Info@shahmodi.com

Telephone No.:022 2512 6399

Contact Person:Jaydeep Modi

Membership No: 039255

Firm Registration No:112426W

Peer Review Certificate No:013967

BANKERS TO THE ISSUE/REFUND BANK

[•]

E-mail: [•]

Telephone: [•]

Contact Person: [•]

Website: [•]

DESIGNATED INTERMEDIARIES

Self-certified Syndicate Banks

The lists of Banks that have been notified by SEBI to act as SCSBs for the ASBA process are provided on the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on designated branches of SCSBs collecting the ASBA Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

Registrar to the Issue and Share Transfer Agents ("RTA")

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI (www.sebi.gov.in), and for details on RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

Collecting Depository Participants ("CDP")

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CREDIT RATING

This being a Rights Issue of Equity Shares, no credit rating is required.

DEBENTURE TRUSTEE

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

MONITORING AGENCY

Since the Issue size does not exceed ₹10,000 Lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulation.

APPRAISING ENTITY

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

UNDERWRITING

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

MINIMUM SUBSCRIPTION

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

1. Objects of the issue being other than capital expenditure for a project; and
2. Our Promoter and Promoter Group have confirmed that they will subscribe to their right entitlement and will not renounce rights except to the extent of renunciation within the promoter group

FILING

SEBI vide its Amendment regulations i.e., SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 w.e.f. 28.09.2020, has granted certain relaxations with respect to rights issues under the SEBI ICDR Regulations. One of those relaxations is the increase of threshold of the rights issue size for filing of the Letter of Offer with SEBI. The threshold of the rights issue size under Regulation 3 of the SEBI (ICDR) Regulations has been increased from Ten Crores to Fifty Crores. Since the size of this Issue falls under the threshold, the Letter of Offer had been filed with the Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination purposes and shall be filed with the Stock Exchanges.

ISSUE SCHEDULE

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

Last Date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights Entitlements[#]	[●]
Issue Closing Date*	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

Note:

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

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

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

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the Applications are submitted well in advance before the Issue Closing Date. For details on submitting Application Forms, please refer to the section titled “*Terms of the Issue*” beginning on page 141 of this Draft Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar to the Issue at www.bigshareonline.com; after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see ‘Credit of Rights Entitlements in demat accounts of Eligible Shareholders’ under the section titled “*Terms of the Issue*” beginning on page 141 of this Draft Letter of Offer.

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

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Draft Letter of Offer is set forth below:

(₹ in Lakhs, except the shares data)

Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
Authorised Share Capital		
1,42,00,000 Equity Shares of face value of ₹10 each	1,420.00	-
Issued, Subscribed and Paid-up Share Capital before the Issue		
55,85,341 Equity Shares of face value of ₹10 each	558.53	-
Present Issue in terms of this Draft Letter of Offer^{(a)(b)}		
Upto [●] ([●]) Issue of Equity Shares, each at a premium of ₹ [●]/- (Rupees [●] Only) per Equity Share, at an Issue Price of ₹ [●]/- (Rupees [●] Only) per Equity Share	[●]	[●]
Issued, subscribed and paid-up Equity Share capital after the Issue		
[●] ([●]) Equity Shares		[●]
Securities premium account		
Before the Issue	1,142.00	
After the Issue ^(c)		[●]

Notes:

- (a) The present Issue has been authorized by our Board of Directors pursuant to the resolution passed in their meeting conducted on December 12, 2023
- (b) Assuming full subscription for allotment of Right Shares;
- (c) Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expense

NOTES TO THE CAPITAL STRUCTURE

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

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

- 6) **Details of stock option scheme of our Company**

As on the date of this Draft Letter of Offer, our Company does not have a stock option scheme;

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

Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on September 30, 2023 can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=542910&qtrid=119.02&QtrName=30-Sep-23>

8) Details of specified securities acquired by the promoter and promoter group in the last one year prior to the filing of this Draft Letter of Offer

The details of the transactions undertaken by our Promoters in the preceding one year can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/valencia-nutrition-ltd/valencia/542910/disclosures-sast/>

Except, as stated above, the members of our Promoter Group have not acquired any Equity Shares in the last one year immediately preceding the date of filing of the Draft Letter of Offer.

9) Intention and participation by the promoter and promoter group

Our Promoter, Manish Turakhia, by its letter dated November 23, 2023 (the “**Promoters Subscription Letter**”) on behalf of the Promoters and Promoter Group of the Company, have confirmed that to (a) subscribe to the full extent of their aggregate Rights Entitlements in the Issue including the renunciation of Rights Entitlements (if any) made in his favour by the other members of the Promoter and Promoter Group; and (b) subscribe to additional Rights Equity Shares, over and above their Rights Entitlements (including the unsubscribed portion in the Issue, if any) jointly or severally, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations in order to achieve the minimum subscription of the Issue in accordance with Regulation 86 of the SEBI ICDR Regulations.

The acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above their Rights Entitlements shall not result in a change of control of the management of our Company and shall be in compliance with the SEBI SAST Regulations and in case if acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above their Rights Entitlements triggers open offer obligation under SEBI SAST Regulations, our Promoters and our Promoter Group shall comply with the same.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under the Applicable Law.

10) Shareholding Pattern of our company as per the latest quarterly filing with the Stock Exchange in compliance with SEBI Listing Regulations:

- i. The shareholding pattern of our Company as on September 30, 2023, can be accessed on the website of the BSE at <https://www.bseindia.com/stock-share-price/valencia-nutrition-ltd/valencia/542910/shareholding-pattern/>
- ii. Statement showing holding of Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on September 30, 2023 can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=542910&qtrid=119.02&QtrName=30-Sep-23>
- iii. Statement showing holding of Equity Shares of persons belonging to the category “Public” including shareholders holding more than 1% of the total number of Equity Shares as on September 30, 2023 can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=542910&qtrid=119.02&QtrName=30-Sep-23>.

SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds to:

1. Adjustment of Unsecured Loans against the Entitlement of the Promoter
2. Working capital requirements
3. General Corporate Purposes.

We intend to utilize the gross proceeds raised through the Issue (the “Issue Proceeds”) after deducting the Issuerelated expenses (“Net Proceeds”) for the abovementioned Objects.

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

Issue Proceeds

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

Particulars	Amt. (₹ in lakhs)
Gross Proceeds from the Issue	Upto 2200
Less: Issue Expenses*	[●]
Net Proceeds from the Issue*	[●]

**To be finalized on determination of Issue Price and updated in the Letter of Offer prior to filing with the RoC.*

Our Promoter Shareholder namely Mr. Manish Turakhia has lent unsecured loans to our company aggregating to ₹ 308.54 Lakhs. Mr. Manish Turakhia has requested our Company to adjust the part of outstanding unsecured loan aggregating to ₹ 300 Lakhs against his entitlement vide letter dated November 19, 2023. The aforesaid loan has been used for the augmentation of existing working capital requirements and to provide the financial assistance to the Company as certified by Independent Statutory Auditor vide certificate dated December 27, 2023. The Board of Directors in its meeting held on December 12, 2023 has accepted his request for conversion of unsecured loan of Mr. Manish Turakhia aggregating to ₹ 300 Lakhs.

REQUIREMENT OF FUNDS AND UTILIZATION OF ISSUE PROCEEDS

We intend to utilize the Net Proceeds of the Issue as set forth below:

Sr. No.	Particulars	Amt. (₹ in lakhs)
1.	Adjustment of Unsecured Loans against the Entitlement of the Promoters;	Upto 300
2.	Working Capital Requirements	Upto 1235.23
3.	Funding expenditure for General Corporate Purposes	Upto 507.60
Total		Upto 2042.83

UTILIZATION OF NET PROCEEDS AND SCHEDULE OF IMPLEMENTATION

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

(₹ in Lakhs)

Sr. No.	Particulars	Amount to be deployed from Net Proceeds	Estimated deployment of Net Proceeds for the Financial Year ending March 31, 2025
1.	Adjustment of Unsecured Loans against the Entitlement of the Promoters	Upto 300	Upto 300
2.	Working Capital Requirements	Upto 1235.23	Upto 1235.23
3.	Funding expenditure for General Corporate Purposes	Upto 507.60	Upto 507.60
	Total Net Proceeds*	Upto 2042.83	Upto 2042.83

*Assuming full subscription and Allotment with respect to the Rights Equity Shares.

The above fund requirements are based on our management estimates and have not been appraised by any bank or financial institution. Our Company's funding requirements and deployment schedule are subject to revision in the future at the discretion of our Board and will not be subject to monitoring by any independent agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. Further, in case the Net Proceeds are not completely utilized in a scheduled Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Company, in accordance with applicable law. For further details, please see the section titled "Risk Factors" beginning on page 19 of this Draft Letter of Offer.

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

MEANS OF FINANCE

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue. The fund requirement and deployment are based on our management estimates and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Consequently, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management.

DETAILS OF THE OBJECTS OF THE ISSUE

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

1. Adjustment of unsecured loans against the entitlement of promoter

Out of the aggregate amount of ₹2042.83lakhs from the Net Proceeds, our Company proposes to utilise such amount towards:

- (a) repayment of the Promoter Loan by adjusting the same against their application money to the extent of their subscription and allotment of the Rights Equity Shares to them under the Issue, whether pursuant to their Rights Entitlements (including Rights Entitlements renounced in their favour, if any) or subscription to Additional Rights Equity Shares (as the case may be) and consequently, no fresh proceeds would be received by our Company to that extent.
- (b) Our Promoter, Mr. Manish Turakhia has vide its letter dated November 19, 2023, have confirmed that the unsecured loan provided by them shall be adjusted towards subscription for their entitlement in this Issue and towards additional subscription, if any.

The loan is unsecured but is made full recourse against the Borrower's and its successor/assigns.

The following table provides details of the relevant terms of the unsecured loans that have been availed by our Company from our Promoter:

Sr. No.	Name of Lender	Tenure	Purpose of Loan	Security	Interest Rate	Amount Outstanding
1.	Mr. Manish Turakhia	On demand	Augmentation of existing working capital requirements	Unsecured Loan	Interest free loan	₹ 308.54lakhs

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

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

The details of estimation of Working Capital Requirements are as under:

(₹ in Lakhs)

Particulars	Fiscal 2022 (Audited)	Fiscal 2023 (Audited)	Fiscal 2024 (Estimated)	Fiscal 2025 (Estimated)
Current Assets				
Inventories	7.82	83.55	215.22	671.56
Trade Receivables	5.80	29.21	160	700
Supplier Advance	26.32	5.4	102.96	300
Short Term Loans and Advances	170.25	119	137.91	69.54
Other Current Assets	1.10	9.97	38.26	38.39
Total Current Assets	211.29	247.13	654.26	1779.49
Current Liabilities:				
Trade Payables	21.91	31.8	78.33	410.14
Other Current Liabilities (also Short-Term Provisions)	103.39	95.11	95.11	134.12
Short Term Borrowings	-	-	-	-
Other current financial liabilities	-	-	-	-
Total Current Liabilities	125.30	126.91	173.44	544.26
Working Capital Gap	85.99	120.22	480.92	1235.23
Funding Pattern				
Working Capital Facilities from banks		-	-	-
Unsecured Loan / ICD	85.99	218.07	48.98	48.98
Owned Funds				
Right Issue Funds		-	480.92	1235.23
Sales	-	146.06	624.46	2,911
Cost of Goods Sold	-	153.77	484.57	2,229.90

Notes on Working Capital for the FY 2023- 24 & 2024-25.

Assumptions for holding level (Days)

Particular	Fiscal 2023 (Audited)	Fiscal 2024 (Estimated)	Fiscal 2025 (Estimated)
Inventory	207	157	106
Trade Receivables	73	94	88
Trade Payable	75	59	67

Justification of Holding Level

Inventory	We have assumed Inventories holding period of around 157and 106 days in financial year 2023-24 and 2024-25 respectively against 207days in financial year 2023-24 against which is lower. We are expecting increase in our revenues from the sale of goods with less holding period and therefore, expect to hold more inventories to meet future demand.
Trade Receivables	We have assumed Trade Receivable holding period level of 94 days and 88 days in financial year 2023-24 and 2024-25 respectively considering the increase in sales and current market conditions against 73 days in FY 2022-23.
Trade Payable	In financial year 2022-23, our Trade Payable credit period was around 75 days. By making early payments to the suppliers the company shall be able to get competitive prices for materials and thereby increasing the profitability of the Company. Thus, the Company has estimated credit period of 59 days and 67 days in a FY 2023-24 and 2024-25 respectively, which would in turn help in reducing the cost of sales.

3. General Corporate Purpose

The remaining Net Proceeds, if any, shall be utilized towards general corporate purposes and the amount to be utilized for general corporate purposes shall not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds. Such utilization towards general corporate purposes shall be to drive our business growth, including, amongst other things including but not limited funding our growth opportunities, strengthening marketing capabilities and brand building exercises, and strategic initiatives and any other purpose as permitted by applicable laws; subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable.

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

EXPENSES FOR THE ISSUE

The Issue related expenses consist of fees payable to Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchange. Our Company will need approximately ₹ [●]/- towards these expenses, a break-up of the same is as follows:

Sr. No.	Particulars	Amount (₹ in Lakhs)	% of Total Expenses	% of Total Issue size
1.	Fees of Registrar to the Issue	[●]	[●]%	[●]%
2.	Fee to the legal advisor, other professional service providers and statutory fee	[●]	[●]%	[●]%
3.	Regulatory Expenses	[●]	[●]%	[●]%
4.	Statutory Advertising, Marketing, Printing and Distribution	[●]	[●]%	[●]%
5.	Other expenses (including miscellaneous expenses and stamp duty)	[●]	[●]%	[●]%

Sr. No.	Particulars	Amount (₹ in Lakhs)	% of Total Expenses	% of Total Issue size
	Total estimated Issue expenses*	[●]	[●]%	[●]%

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

APPRAISAL OF THE OBJECTS

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

SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Fiscal 2024-2025.

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

The Promoters of our Company through its letters dated November 23, 2023 (“**Subscription Letter**”), has undertaken to: (a) subscribe, to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or member(s) of the Promoter Group of our Company; and (b) subscribe for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue.

Further, the promoters have confirmed that the unsecured loans provided by them may be adjusted towards subscription for its entitlement in the Rights Issue and also towards additional subscription, if any, to the extent of amount of unsecured loans outstanding as on the date of allotment.

BRIDGE FINANCING FACILITIES

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

INTERIM USE OF FUNDS

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the shares of any listed company.

MONITORING OF UTILIZATION OF FUNDS

Since the proceeds from this Issue are less than ₹10,000 Lakhs, in terms of Regulation 41(1) of the SEBI (ICDR) Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI (LODR) Regulation, the Board of Directors of the Company would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Financial Statements of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Draft Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. Pursuant to Regulation 32 of the SEBI (LODR) Regulation, the Company shall, on a half yearly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI (LODR) Regulation, the Company shall furnish to the Stock Exchange, on a half yearly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

INTEREST OF PROMOTERS AND DIRECTORS IN THE OBJECTS OF THE ISSUE

Mr. Manish Turakhia(“Promoter and Director”), may be deemed to be interested in the objects of the issue, which pertain to adjustment of loan availed by the Company from the Promoter Directors from the Gross proceeds of the Issue.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors,
Valencia Nutrition Limited
601A, Neelkanth Business Park,
Nathani Road, Vidyavihar(West),
Mumbai- 400 086, Maharashtra, India.

Dear Sirs,

Sub: Proposed rights issue of equity shares of face value of ₹ 10 each (“Equity Shares”) of Valencia Nutrition Limited (the “Company” and such offering, “the Issue”)

We report that the enclosed statement in the **Annexure**, states the possible special tax benefits available to Valencia Nutrition Limited (**‘the Company’**) and the shareholders of the Company under the Income Tax Act, 1961 (**‘Act’**) and Income Tax Rules, 1962 including amendments made by Finance Act 2022 (**hereinafter referred to “Income Tax Laws”**) and indirect tax laws i.e. Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India available to the Company and its shareholders. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Rights Issue. Neither are we neither suggesting nor advising the investor to invest money based on this statement.

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

- a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been / would be met with.

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

We also consent to the references to us as “Experts” as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Draft Letter of Offer / Letter of Offer (“Offer Documents”) of the Company or in any other documents in connection with the Issue.

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its Issue, which may have a material effect on the discussions herein.

We hereby give consent to include this statement of special tax benefits in the Offer Documents and in any other material used in connection with the Issue.

For M/S Shah & Modi
Chartered Accountants
(Firm Registration No: 112426W)

SD/-

Viral Satra
Partner
Membership No: 140772
Place: Mumbai
UDIN:23140772BGVTAB6689
Date:December 19, 2023

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares 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 benefits, which an investor can avail.

1. UNDER THE INCOME TAX ACT, 1961 (hereinafter referred to as the 'Act')

A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE ACT

[NIL]

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER UNDER THE ACT

[NIL]

Note:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares
2. All the above statements are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
3. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
4. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2024-2025.
5. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.
6. We have not commented on the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.
7. 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 INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND THE EQUITY SHAREHOLDERS

2. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”) (collectively referred to as “indirect tax”)

A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE ACT

[NIL]

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER UNDER THE ACT

[NIL]

Note:

1. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
2. All the above statements are as per the Indirect Tax laws and does not cover any direct tax law benefits or benefit under any other law.
3. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION VI – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this chapter has been extracted from the websites of and publicly available documents from various sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with this Issue has independently verified the information provided in this chapter. Industry sources and publications, referred to in this chapter, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

OVERVIEW OF THE GLOBAL AND INDIAN ECONOMY

GLOBAL ECONOMIC OUTLOOK

The global Nutraceutical market is highly competitive, with numerous international and domestic players. As consumers continue to focus on their health, it is becoming increasingly important for retailers and manufacturers to understand consumers' shifting needs in the Nutraceuticals industry. The prime factors determining the market players and their positions in the concerned market are the ingredients used, target consumers, and the target market segment. The new launches in compliance with the consumer trends in the target segment are likely to further help companies better position themselves in the market.

The global Nutraceuticals market grew from \$372.27 billion in 2022 to \$409.12 billion in 2023 at a compound annual growth rate (CAGR) of 9.9%. The Russia-Ukraine war disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. The war between these two countries has led to economic sanctions on multiple countries, a surge in commodity prices, and supply chain disruptions, causing inflation across goods and services, and affecting many markets across the globe. The Nutraceuticals market is expected to grow to \$596.81 billion in 2027 at a CAGR of 9.9%.

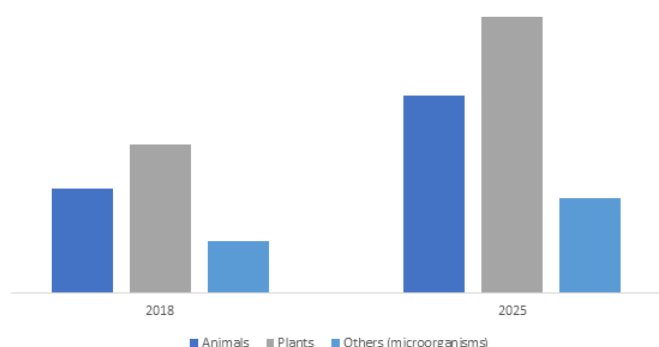


(Source: <https://www.researchandmarkets.com/reports/5744368/nutraceuticals-global-market-report>)

Global Food Biotechnology Market

Food Biotechnology is focused on emerging developments and applications of modern genetics, enzymatic, metabolic and systems-based biochemical processes in food and food-related biological systems. The goal is to help produce and improve foods, food ingredients, and functional foods at the processing stage and beyond agricultural production, genetically modified plants are used to enhance taste, shelf life, nutrition and quality of food, genetically modified food is synthesized using biotechnological tools. Global Food Biotechnology Market size was valued at over USD 23 billion in 2018 and is anticipated to witness over 10% CAGR up to 2025.

North America Food Biotechnology Market, By Application, 2018 & 2025, (USD Million)



Increasing penetration of advanced technologies to develop new products by modifying plants, animals, and microorganisms genes to provide innovative solutions is driving the market growth. Shifting trends towards healthy lifestyles accompanied by a rise in processed food demand has urged the F&B manufacturers to improve the nutritional content in their products, thereby generating new growth opportunities for the biotech-based industry players. Further, there is a requirement to enhance the shelf life and taste of food by the use of encapsulation techniques and other ingredients.

INDIAN ECONOMY

India's nutraceutical market is prepped to be a global leader at USD 4-5 billion. It is expected to grow approximately USD 18 billion by 2025. The dietary supplements market in India is valued at USD 3924.44 million in 2020 and reports say that it will reach USD 10,198.57 million by 2026 that is 22% growth rate year on year. The ongoing pandemic and the rising importance about preventive healthcare have led to the exponential growth of this sector. Indian population has begun to believe in immunity-boosting supplements and has led to a significant shift in buying patterns and market behaviour. Vitamin capsules, chewable tablets and gummies are examples of the open-minded buying behaviour of consumers of healthcare products.

The urban population across India has become health and fitness conscious like never before. This is providing a massive growth opportunity for Nutraceuticals Industry in India. Due to which the market is expected to witness significant growth. Nutraceutical manufacturers and marketers have come up with new ways to make the consumer aware about the product, its benefits and role in preventative healthcare as well as medical treatment. Industry players are also undertaking several initiatives on their own, including a renewed focus on improved quality standards of the product, enhanced transparency, and competitive pricing for innovations. This will give a boost to Nutraceuticals in the health and wellness segment. The Nutraceutical market already occupies 67% share beating the pharma dominated supplement market.

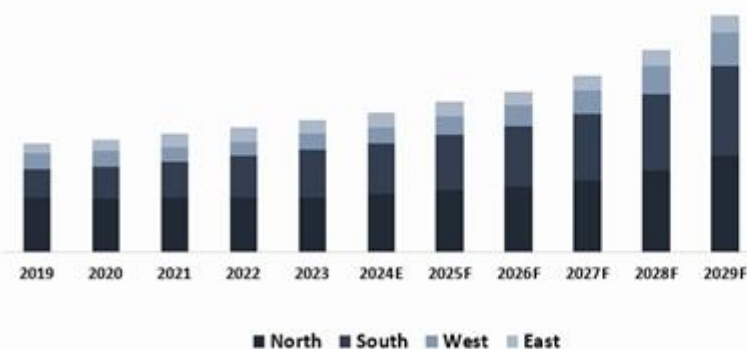
After these global markets have attained maturity, the Nutraceutical organizations are now shifting to developing economies in the Asia Pacific. In 2017, the Indian market held only a 2% market share of the global Nutraceutical market and its estimated valuation stands at around \$5 billion as of 2019. It is expected to reach USD 11 billion by 2023, increasing at a CAGR of 21%. By 2023, India is also expected to hold at least a 3.5% market share of the global market.

(Source: <https://foodprocessingindia.gov.in/newsletter/emailer/two>)

MARKET SIZE

India Nutraceuticals Market

India Nutraceuticals Market Size, By Region, By Value, 2019-2029F



(Source: <https://foodprocessingindia.gov.in/newsletter/emailer/two>)

COVID-19 IMPACT:

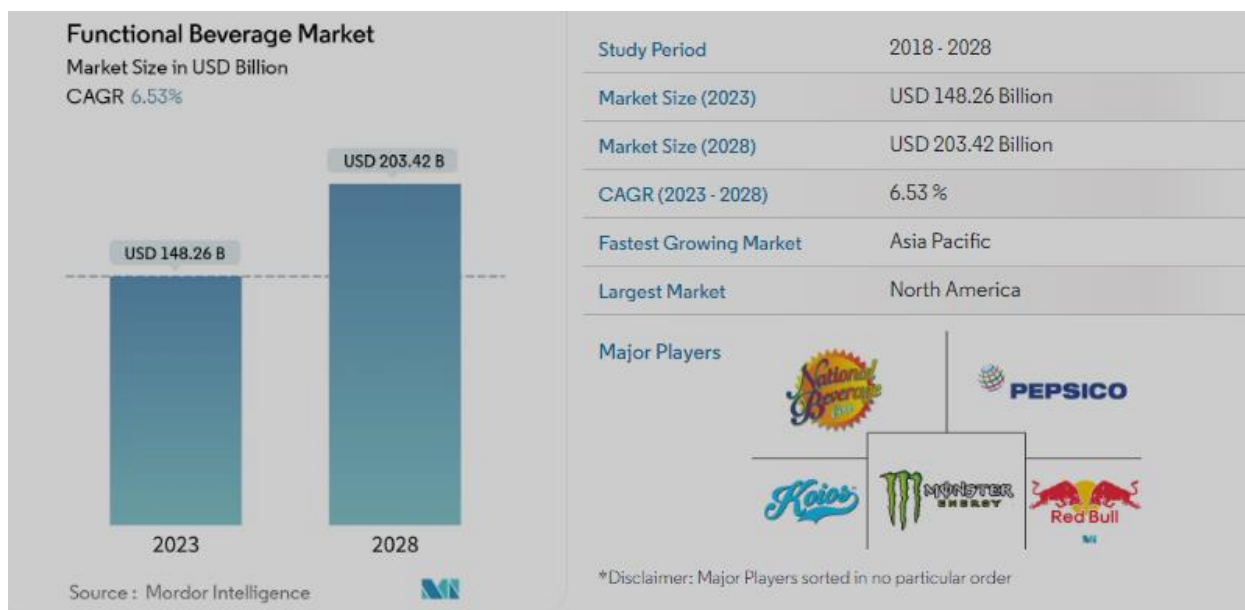
The COVID-19 pandemic affected almost all industries in various countries. Lockdowns, travel restrictions, and business shutdowns hampered the growth of several industries, including the food & beverages industry. The shutdown of manufacturing units disturbed global supply chains, manufacturing activities, delivery schedules, and essential and nonessential product sales. Various companies witnessed delays in product deliveries and a slump in sales of their products in 2020. Before the onset of the COVID-19 outbreak, the Nutraceuticals market was mainly driven by the rising demand for products that support digestive and immune health.

Further, the COVID-19 pandemic positively impacted the Nutraceuticals market as consumers gravitated toward immunity-boosting and nutritious products as the number of COVID-19 patients increased. Due to the impacts of the COVID-19 pandemic, consumers have been increasingly attentive to their health and wellness. Furthermore, the market witnessed an increased demand for digestive and immune health products. As a result, sales of dietary supplements consisting of vitamins, multivitamins, probiotics, and other immunity-boosting functions have also increased. This factor provided a substantial growth opportunity for the Nutraceuticals market during the pandemic.

(Source: <https://www.theinsightpartners.com/reports/nutraceuticals-market>)

Global Functional Beverage Market

The Functional Beverage Market size is expected to grow from USD 148.26 billion in 2023 to USD 203.42 billion by 2028, at a CAGR of 6.53% during the forecast period (2023-2028). Many functional drinks offer numerous health benefits, including hydration, fluid maintenance, and nutritional benefits. With the aging baby boom generation willing to invest in innovative products that will enhance their lives, the functional beverage industry is increasingly driven by consumers' recognition of the link between diet and health. Market players are therefore increasingly developing new products regularly to further develop the studied market.



(Source: <https://www.mordorintelligence.com/industry-reports/functional-beverage-market>.)

Indian Food Biotechnology Market

The research in the areas of food and nutrition is expanding rapidly with new knowledge to:

- Develop diet-based strategies and policies to address the problems of malnutrition including undernutrition as well as overnutrition,
- Design diets and therapeutic functional food- based formulations for better health care and wholesomenessand
- Understanding the molecular aspect of interaction between human-food using multiple “omics” technologies.

In the western world countries, major strategy to make diets nutritionally more rewarding is through improved food processing, technology-oriented high-end research on mechanisms related to health benefits of food, and appropriate evidence based fortification. However, for India, solutions need to be different because of nearly non-existent food processing industries, need to keep the costs low for community welfare, differences in the effectiveness of fortification approaches due to problems unique to the genetic makeup and disease burden in India, and issues specific to vegetarian diets.

(Source:<https://nabi.res.in/cms?slug=food-and-nutritional-biotechnology>)

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read “Risk Factors” beginning on page 19, for a discussion of the risks and uncertainties related to those statements, as well as “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 77 and 127, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Audited Financial Statements.

OVERVIEW

Our Company was incorporated as “Valencia Nutrition Private Limited” on April 01, 2013 under the Companies Act, 1956 with the Registrar of Companies, Karnataka bearing Registration No. 068380. Subsequently, the status of our Company was changed to public limited company and the name of our Company was changed to “Valencia Nutrition Limited” vide Special Resolution dated March 09, 2018. A fresh certificate of incorporation consequent to conversion into public limited company was issued to our Company by the Registrar of Companies, Bangalore on April 09, 2018. The registered office of the Company is situated at 601A, Neelkanth Business Park, Nathani Road, Vidyavihar (West), Mumbai- 400 086, Maharashtra, India.

Valencia Nutrition Limited is a Biotechnology Company with Nutraceuticals Focus. The Nutraceutical market is segmented into functional foods, beverages and dietary supplements. Present segment of production line is in the format of Beverages. The present focus of our Company is on Fortified Beverages under the brand name Bounce Superdrinks and VITA FIZZ. Bounce Superdrinks, the flagship brand of our Company, signifies an infusion of science, taste, and innovation. Guided by the principle that every sip should contribute to the vitality of its consumers, Bounce Superdrinks strives to seamlessly blend health-conscious choices with delightful flavors. It stands as a beacon of ingenuity and progress. With a foundation rooted in biotechnology, the Company explores uncharted territories of functional ingredients, seamlessly weaving them into beverages and other fun to consume nutritional products that cater to the diverse needs of modern lifestyles. Beyond creating products, Valencia Nutrition envisions an entire ecosystem that promotes holistic wellness, sustainability, and a sense of community.

The journey of Valencia Nutrition and Bounce Superdrinks is a testament to the power of innovation, dedication, and a relentless pursuit of excellence. As we embrace the future, we invite you to join us in savoring the taste of transformation, one sip at a time. As our Company is Biotechnology Company, FSSAI Regulations, GST & Nuances of Beverage Market forms our ecology.

We have contract manufacturers located at Gujarat, Tamil Nadu and Andhra Pradesh and we supply almost 90% of our production straight from the Factories to Distributors in truckloads.

Our total income for the financial year ended 2021-22, 2022-23 and half year ended September 30, 2023 were ₹ 0.04 Lakhs, ₹ 146.06 Lakhs and ₹ 64.46 Lakhs respectively. We incurred Net Profit/(Loss) after tax for the financial year ended 2021-22, 2022-23 and half year ended September 30, 2023 were ₹ (66.17) Lakhs, ₹ (126.28) lakhs and ₹ (54.61) Lakhs respectively.

Our Company had not carried any business operations in the financial year 2021-2022 which results in non-occurrence of any revenue from operations for the financial year ended March, 2022.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Bounce Superdrinks has exhibited remarkable performance in the dynamic South Indian beverage market, where we offer a diverse range of products tailored to meet the unique preferences of this vibrant region. In this market, our portfolio includes a variety of refreshing and health-conscious beverages, each making a significant impact. Our flagship product, Bounce Mojo Jojo continued to lead the charge with robust sales and growing market share. Additionally, our line of carbonated soft drinks garnered exceptional traction, particularly among health-conscious consumers seeking authentic low-sugar vitamin-enriched drinks. South India also witnessed a surge in demand for our low-sugar highlighting our commitment to catering to evolving consumer needs. As we

delve deeper into this diverse market, our product-wise segment performance underscores our ability to adapt and innovate to meet the ever-changing tastes of South Indian consumers. We also have PET Bottles that we are operating predominantly in the states of Karnataka, Tamil Nadu, Andhra Pradesh, and Hyderabad/Telangana.

COMPETITIVE STRENGTHS



1. *Experienced Management*

We have a qualified and professional management team with significant experience in all operational aspects of our business. We believe that the industry experience of our Promoters and Management team and their ability to deliver consistent sales growth are our significant We believe they have been key drivers to our growth in revenue and earnings through the efficient execution and operations. For further details of the educational qualifications and experience of our Directors and our Key Managerial Personnel, please refer the chapter titled “Our Management” beginning on page no. 70 of this Draft Letter of Offer.

2. *Customer Centric Business Model*

We believe that our ability to understand consumer preferences and our focus on initiatives to develop product attributes that are most valued by consumers is one of our key strengths. We believe that we have an extensive understanding of the functional beverages market in India, and especially by leveraging on our wide distribution network; we try to understand changing consumer trends and preferences in terms of products types, pricing and packaging.

3. *Quality assurance*

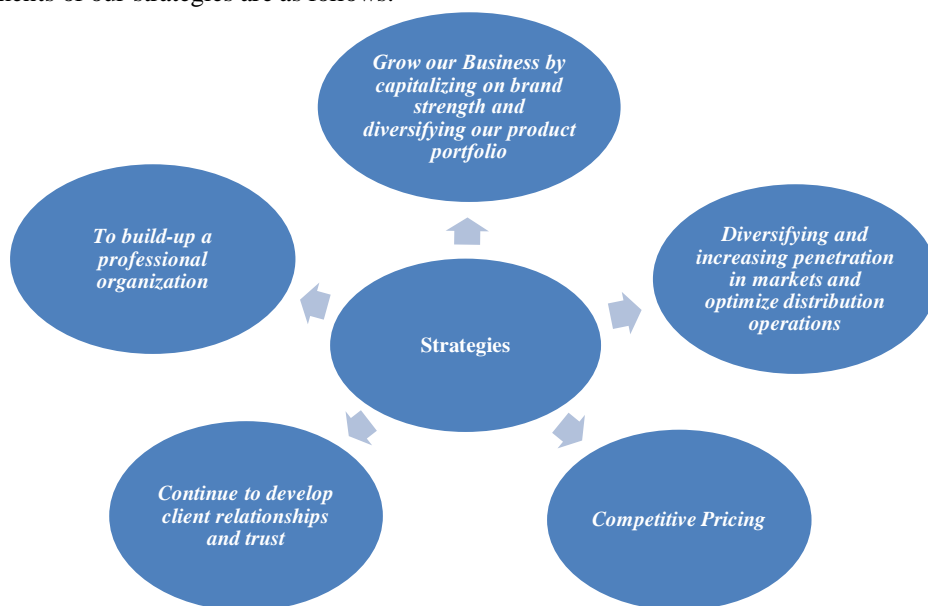
We believe that quality is an ongoing process of building and sustaining relationships. Our strength lies in understanding the requirements of the customer.

4. *Long Shelf life compared to Peers*

Our Product line comprises of perishable products and shelf life plays a major role in inventory management and sale. Even though nutraceutical industry is a niche market, for our product ‘Bounce Superdrinks’ we face competition from our close peers who have a shelf life ranging from 3 months to 6 months. However, ‘Bounce Superdrinks’ has a product life of 6 months to 9 months, which is much higher than our core competitors.

OUR STRATEGIES

The key elements of our strategies are as follows:



1. *Grow our business by capitalizing on brand strength and diversifying our product portfolio*

With wellness increasingly becoming a mainstream thought especially amongst the millennial, along with changing lifestyle preferences, Nutraceuticals market in India is expected to gain prolific growth in the years to come and it is the target segment of our company. We intend to capitalize on this changing market sentiment by focusing on improving the market share of our products by expanding our distribution network and increasing production volumes.

2. *Diversifying and increasing penetration in markets and optimize distribution operations.*

Our Company sells/distributes functional beverages in domestic market and in the global market to some extent. The domestic market also offers opportunities in term of sub-geographic penetration and product/ market diversification. Our Company will seek to grow its marketing reach within India by exploring hitherto untapped markets and segments as part of its strategy to mitigate market risk and widen growth prospects. We focus on optimal utilization of our existing distribution infrastructure by implementing effective brand and product promotion strategies through intensive interaction with distributors, effective involvement of our sales team at points of sale, and expanding the range of product offerings in certain markets and areas to specifically cater to regional and local consumer preferences. We intend to expand the sales team and continue our focus on increasing retail presence of our existing product 'Bounce Superdrinks' by increasing our brand promotion activities, in-store product inventory as well as ensure price competitiveness, especially in high density consumer areas such as malls, super-markets and large stores & multiplexes. As our target customers include youth and young working professionals, we intend to expand the sales and distribution to schools, colleges, hotels, cafeteria, fitness centers and office canteens.

3. *Competitive Pricing*

Price is an important aspect of business marketing. Changing the price can drastically affect the marketing tactics necessary for success. To remain aggressive and capitalize a good market share, we believe in offering competitive prices to our customers. This helps us to sustain the competition and withhold a strong position in the market.

4. *Continue to develop client relationships and trust*

We plan to grow our business primarily by growing our customer relationships and trust. We believe that increased customer relationships and trust will add stability to our business. We seek to build on existing relationships and also focus on bringing into our portfolio more clients. We believe that our business is a by-

product of relationship and trust. Long-term relations are built on trust and continuous meeting with the requirements of the customers.

5. To build-up a professional organization

As an organization, we believe in transparency and commitment in our work and with our customers. We have an experienced team for taking care of our day-to-day operations. We will consistently put efforts among its group of experienced employees to transform them into an outstanding team of empowered professionals which helps in further accelerating the wheels of development of the Organization.

OPPORTUNITIES AND THREATS

Opportunities for our Company include tapping into the growing demand for healthier and natural nutrition products, as well as expanding its market presence in regions like Tamil Nadu and South India. However, threats include addressing formulation issues, maintaining product consistency, and managing supply chain challenges, as evidenced by the Stevia-related issues.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Valencia Nutrition Limited is committed to maintaining strong internal control systems that ensure the reliability of our financial reporting, safeguard our assets, and ensure compliance with applicable laws and regulations. The following section provides an overview of our internal control environment, the assessment of its adequacy, and the steps taken for improvement.

1. Control Environment

Our company places a high emphasis on the control environment. We foster a culture of integrity and ethical behavior across all levels of the organization. Our senior management sets the tone at the top by demonstrating a commitment to sound internal controls.

2. Risk Assessment

Valencia Nutrition continuously assesses and monitors risks that could impact our financial reporting and operations. This includes identifying and evaluating potential risks and implementing controls to mitigate them.

3. Control Activities

We maintain a comprehensive set of control activities, including segregation of duties, authorization procedures, and IT controls. These controls are designed to prevent and detect errors and fraud in our financial reporting processes.

4. Information and Communication

Effective communication and information flow are essential components of our internal control system. We ensure that relevant information is communicated promptly to those who need it, both within and outside the organization.

5. Monitoring

We employ a rigorous monitoring process to assess the effectiveness of our internal controls. Regular internal audits are conducted to identify any weaknesses or areas for improvement. Additionally, external audits by independent auditors provide an objective evaluation of our controls.

6. Compliance

Valencia Nutrition Limited is committed to complying with all applicable laws and regulations. We maintain robust compliance programs to ensure adherence to legal requirements, including those related to financial reporting.

7. Material Weaknesses

As of the end of the reporting period, no material weaknesses in our internal control systems have been identified or disclosed.

STRATEGIC VISION FOR BOUNCE SUPERDRINKS

At Bounce Superdrinks, our strategic vision is to revolutionize the beverage industry by offering a range of innovative and health-conscious products that energize and inspire people to live their best lives. We envision a future where Bounce Superdrinks is synonymous with premium, nourishing beverages that not only satisfy taste buds but also promote holistic well-being.

a. Product Innovation:

We will lead the industry in product innovation, crafting beverages that are not only delicious but also infused with functional ingredients that support physical vitality, mental clarity, and emotional balance. Our commitment to research and development will drive the creation of cutting-edge formulations that cater to evolving consumer demands.

b. Health and Wellness:

Bounce Superdrinks will stand as a beacon of health and wellness, inspiring individuals to make conscious choices for their bodies and minds. Our products will prioritize natural and wholesome ingredients, free from artificial additives, and will align with the preferences of health-conscious consumers.

c. Sustainability and Responsibility:

Our vision extends beyond profit we aim to become a sustainable and responsible brand that cares for both people and the planet. Through eco-friendly packaging, ethical sourcing, and community engagement initiatives, we will demonstrate our dedication to leaving a positive impact on the environment and society.

d. Global Reach:

We aspire to be a global brand, with our products available and embraced by consumers across continents. Through strategic partnerships and a keen understanding of regional preferences, we will tailor our offerings to resonate with diverse cultures while maintaining our core values.

e. Digital Engagement:

Embracing the digital age, we will leverage technology to engage with our customers on a personal level. Our online platforms will serve as hubs for education, inspiration, and community-building, fostering a strong and loyal customer base.

f. Culinary Creativity:

Bounce Superdrinks will continually explore the realms of taste and flavor, delighting customers with beverages that excite the senses and elevate their experiences. Our commitment to culinary creativity will ensure that each sip is an adventure.

g. Employee Empowerment:

Our workforce will be our driving force. By fostering a culture of collaboration, innovation, and continuous learning, we will empower our employees to contribute their best and be an integral part of our journey toward excellence.

h. Financial Growth:

While our vision is rooted in purpose, we recognize the importance of financial success. With smart financial management and strategic expansion, we will ensure the long-term sustainability and growth of Bounce Superdrinks.

As we pursue this strategic vision, we invite consumers, partners, and stakeholders to join us in reimagining the possibilities of beverages. BounceSuperdrinks will not only satisfy thirst but will also inspire individuals to bounce back, energized and ready to embrace life's adventures.

DISTRIBUTION AND SALES

1. Direct Store Delivery (DSD)

This distribution process involves moving product from a manufacturing plant via a Distribution Centre or a Bin (small storage location with no warehouse labour) to the retail outlet. In this form of DSD, sales are made directly at the outlet level by a Route Sales Representative (RSR). The advantage of this approach is that our products are handled with care, stay fresh, and are merchandised for maximum visibility and appeal. This approach also allows us to move new products into distribution quickly and to monitor how the product is selling.

2. Distribution Centre (DC)

This is a centrally managed process where products are bulk-shipped to a broker's DC or warehouse (e.g. Spencer's). Then, the 3rd party distributors move our products to the retail outlet, and retail store employees stock the shelves. Clearly, this is a less expensive distribution strategy, but we forfeit the "personal touch" advantage we have with DSD methods. Such a model is prevalent in Organized Trade. In a slight variation to the first DC model, this centrally managed process is where products are bulk-shipped to a retailer's DC, and local retail employees stock the shelves. Like the Broker-Warehouse approach, this approach works best for products that are less fragile, slower turning, and less likely to be impulse purchases.

3. Vending Service Model (VSM)

A group of centralized Customer Development Reps take orders directly from food service, vending 3rd party distributors and large vending operators. All the Beverage-related products are shipped directly to these customers on dedicated loads from the appropriate units. Final delivery to the end-user (schools, stadiums, etc.) is handled by the 3rd party foodservice or vending distributor.

DETAILS OF OUR BUSINESS

LOCATION



Registered Office

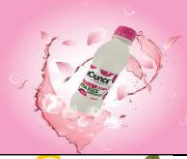





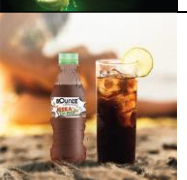



Our Registered office is located at 601A, Neelkanth Business Park, Nathani Road, Vidyavihar(West), Mumbai-400 086, Maharashtra, India.


THIRD PARTY MANUFACTURING PLANTS

The Company has outsourced its manufacturing facility to third parties located at Gujarat, Tamil Nadu and Andhra Pradesh.

OUR PRODUCT PORTFOLIO

Sr. No.	Product	Product Description
1.		Mojo Jojo Juice Based Mango Drink (Mango flavour) 200 ml Vitamins Infused: B3, B5, B6, C
2.		Energize Caffeinated Soft Drink (Cranberry flavour) 200 ml Vitamins Infused: B3, B5, B6, C

Sr. No.	Product	Product Description
3.		Paneer Vita Fizz Carbonated Soft Drink (Rose flavour) 200 ml Vitamins Infused: B3, B5, B6, C
4.		Lemonada Vita Fizz Carbonated Soft Drink (Cloudy lemon flavour) 200 ml Vitamins Infused: B3, B5, B6, C
5.		Orange Vita Fizz Carbonated Soft Drink ((Orange flavour) 200 ml Vitamins Infused: B3, B5, B6, C
6.		Vanta Black Cola Vita Fizz Carbonated Soft Drink (Cola flavour) 200 ml Vitamins Infused: B3, B5, B6, C
7.		Apple Vita Fizz Carbonated Soft Drink (Apple flavour) 200 ml Vitamins Infused: B3, B5, B6, C
8.		Lemon Vita Fizz Carbonated Soft Drink (Lemon flavour) 200 ml Vitamins Infused: B3, B5, B6, C
9.		Jeera Vita Fizz Carbonated Soft Drink (Jeera flavour) 200 ml Vitamins Infused: B3, B5, B6, C
10.		Roar Energy Drink CaffienatedSoft Drink (Classic flavour) 250 ml Vitamins Infused: B3, B5, B6, B12
11.		Roar Pink Guava Juice based Drink (Pink Guavaflavour) 250 ml Vitamins Infused: B3, B5, B6, C
12.		Roar Ginger Ale Carbonated Soft Drink (Ginger flavour) 250 ml Vitamins Infused: B3, B5, B6, C

Sr. No.	Product	Product Description
13.		Titonic Water (Iconic flavour) 250 ml, Vitamins Infused: B3, B5, B6, C
14.		Titonic Water (Elderflower flavour) 250 ml Vitamins Infused: B3, B5, B6, C
15.		Koffico Coffee Based Drink (Cold Brew) 250 ml Vitamins Infused: B3, B5, B6, C
16.		Bootea Iced Tea (Peach Flavour) 250 ml Vitamins Infused: B3, B5, B6, C

UTILITIES

Power, Fuel and Water

As the company has outsourced its manufacturing to third party, we are not required to take any permission for power, fuel and water supply.

EXPORT & EXPORT OBLIGATION

The company does not have any export obligations as on the date of this Draft Letter of Offer.

COLLABORATIONS

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

COMPETITION

Nutraceutical Industry is a niche segment, with a handful of established players to cater to such a large market. This is mainly due to lack of awareness of Nutraceutical beverages and other products in India. Further, consumption pattern of customers in India is more towards aerated products over Nutraceutical products.

However, we still face competition in our business from other existing manufactures of Nutraceutical beverages. We compete with our competitors on a regional or product line basis. We believe that the principal factors affecting competition in our business include taste of product, branding, abilities of research and development team to manufacture new products, market focus and the relative quality and price of the products.

MARKETING SET-UP

Recognizing that the Nutraceutical industry in India is not widely recognized industry as not many players exist, marketing our brands is one of our key focus areas. The primary aim of our marketing campaigns is to build brand awareness and achieve recall for our products and brands. Marketing campaigns are handled directly by the company some of the marketing strategies include attending college fests, distribution of free samples in core market areas, advertisement through hoardings, pamphlets, posters and so on. A significant amount of marketing is also done via digital and social media channels.

Further, the company has planned various initiatives to nurture our super-stockists, distributor and retail network in order to build long term company & brand loyalty through various schemes, volume discounts and other innovative engagement models unique to the company.

By and large, we focus largely on customer-level marketing, including communications through digital & social media marketing, engagement of brand ambassadors & influencers, ample sampling and activations at points-of-sale, special occasion-based marketing and implementing promotional activities to strengthen a strong & consistent off take of our products.

CAPACITY AND CAPACITY UTILIZATION

Our company has outsourced the manufacturing facility to third party and hence capacity and capacity utilization is not applicable to our company.

OUR MAJOR CUSTOMERS

The percentage of income derived from our top customers based on revenue from sale of products is as given below:

(Amount in ₹)

Particular	For Year/ Period ended			
	September 30, 2023		March 31, 2023	
	Revenue	Percentage (%)	Revenue	Percentage (%)
Income from Top 10 Customers (%)	53,34,321	82.77	98,83,376	67.68

HUMAN RESOURCES

The details of manpower employed as on date of filing of draft letter of offer are as under:


Category	Number of employees
Promoter Management	1
Top Management	2
Corporate Support	2
Business Staff	4
Total	9











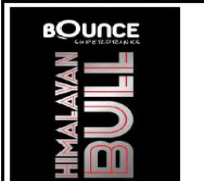
INSURANCE

We have not availed any insurance policies as on the date of this Draft Letter of Offer.

INTELLECTUAL PROPERRTIES

Approvals obtained/applied in relation to Intellectual Property Rights:

Particulars of the Mark	Trade Mark Type	Applicant / Owner	Trademark Application Number	Class	Status
	Device	Valencia Nutrition Private Limited	3435053	32	Registered

	Device	Valencia Nutrition Limited	2828195	32	Registered-Renewal of trademark is due.
	Device	Valencia Nutrition Private Limited	3656103	32	Opposed-request for amendment is pending for processing
	Colour	Valencia Nutrition Limited	2977367	32	Registered
	Corporate logo	Valencia Nutrition Limited	5539853	32	Registered & advertised
	Device	Valencia Nutrition Limited	5860167	32	Objected
	Device	Valencia Nutrition Limited	5860302	32	Objected
	Device	Valencia Nutrition Limited	6050528	32	Accepted & Advertised
	Device	Valencia Nutrition Limited	6069649	32	Accepted
	Device	Valencia Nutrition Limited	5138760	32	Registered
	Device	Valencia Nutrition Limited	5138761	32	Objected
	Device	Valencia Nutrition Limited	5138762	32	Objected- Set for hearing

	Device	Valencia Nutrition Limited	5140029	5	Objected- Set for hearing
	Device	Valencia Nutrition Limited	5140030	5	Objected- Set for hearing
	Device	Valencia Nutrition Limited	5140031	5	Refused
	Device	Valencia Nutrition Limited	5140032	5	Objected
	Device	Valencia Nutrition Limited	5140033	5	Refused
	Device	Valencia Nutrition Limited	5216932	32	Abandoned/ Withdraw
	Bounce SuperdrinksHimalayan Yak (Label)	Valencia Nutrition Limited	5445429	32	Objected
	Bounce SuperdrinksLemon Vita Fizz (Label)	Valencia Nutrition Limited	5461665	32	Opposed (Reply filed)
	Bounce SuperdrinksOrange Vita Fizz (Label)	Valencia Nutrition Limited	5461666	32	Opposed

IMMOVABLE PROPERTIES

Our Company has taken the following immovable property on leave & license basis:

Address of Premises	Name of Lessor	Term	Purpose
601A, Neelkanth Business Park, Nathani Road, Vidyavihar (West), Mumbai- 400 086, Maharashtra, India	Mr. Manish Turakhia and Mrs. MeghnaTurakhia	36 months w.e.f., October 09, 2023. (On rent free basis)	Registered Office

Further, we have one property situated at C K Marketing (Chennai), 5/3, Canara Bank colony Gandhi Nagar, Saligramam Chennai - 600093 taken on a rent of ₹ 20,000 per month from Mr. ChennaKesavalu which is used for a Godown purpose. However, Mr. ChennaKesavalu and the Company under their mutual capability have agreed and decided the terms in relation to the property as the parties have not entered into any leave and license agreement.

OUR MANAGEMENT

Board of Directors:

Pursuant to the provisions of the Companies Act, 2013, at least two-third of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each Annual General Meeting. A retiring director is eligible for re-appointment. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five years each.

As on the date of Draft Letter of Offer, our Company has Eight (8) Directors consisting of One (1) Managing Director, Two (2) Executive Director, Two (2) Non-Executive Directors and Three (3) Independent Directors. Out of these, we have One (1) woman director.

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

Name, Current Designation, Address, Date of Birth, Term, Occupation, DIN and Nationality	Age (Years)	Other Directorships
Manish Turakhia Designation: Managing Director Address: Flat No-104, floor no-1, MithilaBldg, Neelkanth Kingdom, Vidhyavihar west, Ghatkopar west, Mumbai Suburban-400086, Maharashtra, India. Date of Birth: June 24, 1966 Term: For period of three (03) years with effect from September 02, 2023. Occupation: Business DIN: 02265579 Nationality: Indian	57	<ul style="list-style-type: none"> Veer Capital Management Private Limited
PrabhhaShankarran Designation: Whole-time Director Address: Sankaran, B7-201, L & T South City, Bannerghatta Road, Arekere MIco Layout, Bangalore South, Karnataka, 560076, India. Date of Birth: March 24, 1970 Term: For period of three (03) years with effect from August 29, 2022 liable to retire by rotation. Occupation: Business DIN: 07906258 Nationality: Indian	53	NIL
Jay Shah	25	NIL

Name, Current Designation, Address, Date of Birth, Term, Occupation, DIN and Nationality	Age (Years)	Other Directorships
Designation: Whole-time Director Address: 505, Nandadevi, Neelkanth Valley, 7 th Road, Rajawadi, Ghatkopar East, Mumbai-400077, Maharashtra, India. Date of Birth: September 30,1998 Term: For period of three (03) years with effect from August 29, 2023, liable to retire by rotation. Occupation: Business DIN: 09072405 Nationality: Indian		
StavanAjmera Designation: Chairman and Non-Executive Director Address: A/102, Om Siddharth Apartment Kulupwadi Near national park Borivali East Mumbai, Maharashtra-400066, India. Date of Birth: February 28, 1987 Term: With effect from September 29, 2018, liable to retire by rotation. Occupation: Business DIN: 08112696 Nationality: Indian	36	NIL
Paresh Desai Designation: Non-Executive Director Address: 504, Mithila, Nathani Road, BehInd Bus Depot, Neelkanth Kingdom, Vidyavihar West, Mumbai, Maharashtra-400086, India. Date of Birth: April 10, 1971. Term: With effect from September 02, 2023, liable to retire by rotation. Occupation: Business DIN: 07412510 Nationality: Indian	52	NIL
Geet Shah Designation: Non-Executive Independent	38	<ul style="list-style-type: none"> • Silent On Set Productions Private Limited • Diamia Care Private Limited

Name, Current Designation, Address, Date of Birth, Term, Occupation, DIN and Nationality	Age (Years)	Other Directorships
<p>Director</p> <p>Address: 1702, 17th Floor, Emerald Else, Saki Vihar Road, Powai, Mumbai Suburban, Maharashtra-400072, India.</p> <p>Date of Birth: June 18, 1985</p> <p>Term: With effect from September 02, 2023 not liable to retire by Rotation for the term of Consecutive years</p> <p>Occupation: Business</p> <p>DIN: 08532430</p> <p>Nationality: Indian</p>		
<p>Jaimin Patwa</p> <p>Designation: Non-Executive Independent Director</p> <p>Address: 1301, Zinnia Nahar Amrit Shakti, Chandivali, Powai, Mumbai, Nahar International School, Mumbai Suburban, Maharashtra, 400072.</p> <p>Date of Birth: February 18, 1985.</p> <p>Term: For period of Five (05) years with effect from September 28, 2021</p> <p>Occupation: Service</p> <p>DIN: 08613495</p> <p>Nationality: Indian</p>	38	NIL
<p>Eshanya Gupta</p> <p>Designation: Non-Executive Independent Director</p> <p>Address: C/O, Emirus Building, Flat 1611, Near Baner, Bigbiz, Pune City, N.I.A, Pune Maharashtra, 411045, India.</p> <p>Date of Birth: November 05, 1976</p> <p>Term: For period of Five(05) years with effect from September 28, 2021.</p> <p>Occupation: Professional</p> <p>DIN: 01727743</p> <p>Nationality: Indian</p>	47	<ul style="list-style-type: none"> • Egalite Internationals Private Limited • Zaper Auto Private Limited • Tech Pears Technologies Private Limited • Carton Hill Private Limited • Finsun Advisor Private Limited • D & H India Limited • Stamford Brook Private Limited

Relationship between Directors

None of the Directors are related to each other.

Arrangement or understanding with major Shareholders, customers, suppliers or others

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

Brief Profile of our Directors

Manish Turakhia, aged 57 years is a Co-Promoter, Managing Director and has been serving the Board of Valencia Nutrition Limited since December 18, 2017. He holds a Bachelor's degree in commerce from the University of Mumbai. He has more than three decades of experience in capital market, corporate finance & investment banking. He has also rich experience in the Nutrition and Beverages industry. In 2015, he along with his wife formed Veer Value Ventures LLP. Currently, he is holding a directorship in Veer Capital Management Private Limited.

Prabhha Shankarran, aged 53 years, is the Executive Director of our Company. She has been serving the Board of Valencia Nutrition Limited since December 18, 2017, as an Executive Professional Director of the Company. She has a post-graduation degree from M.com and a Diploma in Business Management. She has around 3 decades of experience including 15 years of experience in the field of human resources, operations and management and during her stint of 13 years she has been associated with many companies like 3P World Financial Limited, Fortis Hospitals Limited and Matrix Corporate Management Services Private Limited.

Jay Shah, aged 25 years, has been serving the Board of Valencia Nutrition Limited since March 1, 2021, as a CFO and from September 28, 2021 onwards, also as the WTD of the Company. He has completed his post-graduate diploma in finance management from Narsee Monjee Institute of Management Studies (NMIMS). He cleared the mutual fund distribution module of AMFI (Association of Mutual Funds India) and he is also cleared level 1 of CFA (Chartered Financial Analyst, USA). He also has the Degree of BFM (Bachelor of Financial Markets) from the Narsee Monjee School of Commerce and Economics.

Stavan Ajmera, aged 36 years, is the Non-Executive Director of our Company. He holds Bachelor of Commerce degree from University of Mumbai. He is also a member of the Institute of Chartered Accountant of India having more than 15 years of experience in investment banking. As Non-Executive Director he is responsible for providing his expertise in general financial management of our Company.

Paresh Desai, aged 52 years, is the Non - Executive Director of our Company. He runs the business of Customs clearance and has extensive knowledge of Export Import Procedures and also has exclusive access to Overseas Market Participations. He has total 35 years of experience in this field. He was awarded by the Qatar Embassy for his best performance during his tenure in this business

Geet Shah, aged 38 years, is appointed as a non-executive Independent Director in our Company on September 29, 2023. He is a Commerce Graduate (B.com). He runs a distribution business in Mumbai. He has his own brand named Diamia in the cosmetic range. He holds directorships in companies like Silent on Set Productions Pvt. Ltd & Diamia Care Pvt. Ltd.

Jaimin Patwa, aged 38 years, is appointed as a non-executive Independent Director in our Company. He holds Degree of MBA in Capital Market. He has immense knowledge and experience of 9 years in the Capital Market.

Eshanya Gupta, aged 47 years, is appointed as a non-executive Independent Director in our Company. He is a competent professional having more than 23 years of experience in the field of Corporate Finance, Strategic Finance, Strategic Planning & execution, Fund Raising, Project Financing, Financial Accounting, Treasury & Taxation & setting up of Overseas Subsidiary & also demonstrated success scaling companies in private & public organisation. He has managed a group of companies with a turnover of more than Rs 1000 Crores & having expertise in areas related to Banking, Import & Export, liaisoning with the government institutions & litigation related to companies. Further he has served as Director Finance & HR in Pune based company for 16 years & also served as a Director in a subsidiary company at Singapore & Oman.

Other Confirmations:

- i. There are no services contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- ii. Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
- iii. None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.
- iv. None of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past ten years.
- v. None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.
- vi. None of our Directors have been identified as a wilful defaulter, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.
- vii. None of Directors are currently, or have been in the past five years, on the board of directors of a listed company whose shares have been or were suspended from being traded on the Stock Exchange.
- viii. None of our Directors is or was, in the past ten years, a director of any listed company which has been or was delisted from any stock exchange in India during the term of their directorship in such company.

Our Key Managerial Personnel ("KMP")

In addition to our Managing Director, whose details have been described under paragraph above titled '**Brief Profile of our Directors**' the following persons are our Key Managerial Personnel as on the date of filing of this Draft Letter of Offer.

All our KMP are on the payrolls of our Company as permanent employees.

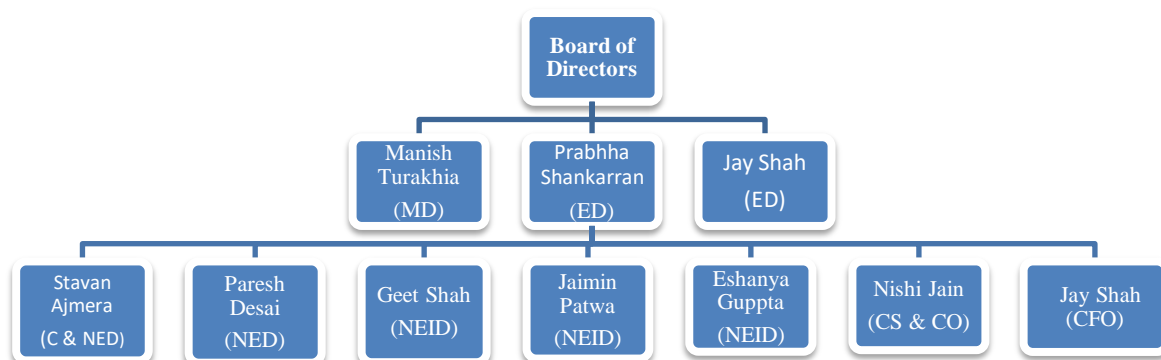
Jay Shah, is the Chief Financial Officer (CFO). He has been serving the Board of Valencia Nutrition Limited since March 1, 2021, as a CFO and from September 28, 2021 onwards, also as the WTD of the Company. He has completed his post-graduate diploma in finance management from NarseeMonjee Institute of Management Studies (NMIMS). He cleared the mutual fund distribution module of AMFI (Association of Mutual Funds India) and he is also cleared level 1 of CFA (Chartered Financial Analyst, USA). He also has the Degree of BFM (Bachelor of Financial Markets) from the NarseeMonjee School of Commerce and Economics.

Nishi Jain, is a Qualified Company Secretary and also holds a degree in LLB (Business Law). She had completed Management training at M/s. ChaitaliDoshi& Co. and her past experience was working as an Assistant Company Secretary at M/s. Alka Securities Limited.

Relationship amongst the Key Managerial Personnel.

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

Management Organization Structure



Terms & Abbreviations:


MD	Managing Director
ED	Executive Director
C & NED	Chairman & Non-Executive Director
NED	Non-Executive Director
NEID	Non- Executive Independent Director
CS & CO	Company Secretary and Compliance Officer
CFO	Chief Financial Officer

OUR PROMOTER

Our Promoters

As on the date of this Draft Letter of Offer Mr. Manish Turakhia and Ms. Deepthi Anand* are the Promoters of our Company, where Mr. Manish Turakhia holds 21,18,233 Equity Shares in our Company, representing 37.92% of the pre-issue issued, subscribed and paid up Equity Share capital of our Company.

**Company has received request letter cum undertaking from Deepthi Anand, Promoter of the Company on November 27, 2023 for reclassifying her shareholding from 'Promoter' to 'Public Category' under Regulation 31 A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our Company has initiated the process of re-classification of Deepthi Anand from 'Promoter' to 'Public Category' and has made the relevant application and other submissions as prescribed in the Listing Regulations to BSE for the same.*

Mr. Manish Turakhia	
	Mr. Manish Turakhia, aged 57 years is a Co-Promoter, Managing Director and has been serving the Board of Valencia Nutrition Limited since December 18, 2017. He holds a Bachelor's degree in commerce from the University of Mumbai. He has more than three decades of experience in capital market, corporate finance & investment banking. He has also rich experience in the Nutrition and Beverages industry. In 2015, he along with his wife formed Veer Value Ventures LLP.
	Date of Birth: June 24, 1966
	Address: Flat No-104, floor no-1, Mithila Bldg, Neelkanth Kingdom, Vidhyavihar west, Ghatkopar west, Mumbai Suburban-400086, Maharashtra, India.
	PAN: AAAPT3297N
	Passport No.: U9264891
	Driver's License No.: MH03 19910016557
	Aadhar Card No.: 5008 5252 8895
	Name of Bank & Branch: ICICI Bank, Vallabh Baugh Lane, Ghatkopar Branch
	Other Interests: <ul style="list-style-type: none"> • Veer Capital Management Private Limited

Confirmations

Our Promoters and members of our Promoter Group have not been declared wilful defaulters or fraudulent borrowers as applicable, as defined under the SEBI ICDR Regulations.

Our Promoters and members of our Promoter Group have not been 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 are not and have never been promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

SECTION VII – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No	Details	Page Number
1.	Standalone Un-Audited Limited Reviewed Financial Results for the period ended September 30, 2023	77
2.	Audited Financial Statements as at and for the years ended March 31, 2023	86
3.	Statement of Accounting Ratios	124
4.	Capitalization Statement	125

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Limited Review Report of standalone Un-Audited half yearly financial results of Valencia Nutrition Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

To,

The Board of Directors,
Valencia Nutrition Limited
SH-4, A Wing, Bldg. No. 34,
Tilak Nagar Chembur Sahvas
Co-operative HSG Soc, Mumbai-400089.

1. We have reviewed the accompanying statement of unaudited financial results of Valencia Nutrition Limited for the half year ended 30th September, 2023 and unaudited balance sheet as at 30th September, 2023, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited Standalone financial results prepared In accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations. and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M/s. Shah and Modi
Chartered Accountants
FRN 112426W

Sd/-
Jaydeep N. Modi
Partner
M. No. 039255
Date: November 10, 2023

Place: Mumbai
UDIN: 23039255BGWMSQ4964

Valencia Nutrition Limited		
Address - Office no. 601, A Wing, Neelkanth Business Park, 6th Floor, A wing, Nathani Road, Vidyavihar (West) Mumbai 400086		
CIN:- L51909MH2013PLC381314		
ANNEXURE II		
Standalone Statement of Assets and Liabilities		
Particulars	(All amounts are in Rs. In Lakhs, unless otherwise stated)	
	As at 30-Sep-2023	As at 31-Mar-2023
	(Unaudited)	(Audited)
A. EQUITY AND LIABILITIES		
1. Shareholders' funds		
(a) Share capital	558.53	558.53
(b) Reserves and surplus	(679.75)	(625.14)
Sub-total - Shareholder's Funds	(121.21)	(66.60)
2. Non-current liabilities		
(a) Long-term borrowings	289.13	218.07
(b) Long-term provisions	0.25	-
Sub-total - Non-Current Liabilities	289.38	218.07
3. Current liabilities		
(a) Short-term borrowings	-	-
(b) Trade payables	-	-
- Dues to Micro and Small Enterprises	-	-
- Dues to Other parties	34.30	31.80
(c) Other current liabilities	44.78	85.19
(d) Short-term provisions	7.86	9.92
Sub-total - Current Liabilities	86.94	126.91
TOTAL - EQUITY AND LIABILITIES	255.12	278.37
B. ASSETS		
1. Non-current assets		
(a) Fixed assets		
(i) Property, plant and equipment	12.62	14.84
(iii) Capital work-in-progress	-	-
Non-current investments	-	-
(b) Long-term loans and advances	6.74	8.85
Sub-total - Non-Current Assets	19.36	23.68
2. Current assets		
(b) Inventories	62.19	83.55
(c) Trade receivables	6.05	29.21
(d) Cash and cash equivalents	7.56	7.55
(e) Short-term loans and advances	158.83	124.40
(f) Other current assets	1.12	9.97
Sub-total - Current Assets	235.76	254.69
TOTAL	255.12	278.37

For and on behalf of the Board of Directors

Sd/-

Jay Jatin Shah

Whole Time Director & CFO

DIN : 09072405

Place:- Mumbai

Date:- 10/11/2023

Valencia Nutrition Limited					
Address - Office no. 601, A Wing, Neelkanth Business Park, 6th Floor, A wing, Nathani Road, Vidyavihar (West) Mumbai 400086					
CIN:- L51909MH2013PLC381314					
ANNEXURE I					
Standalone Statement of Unaudited Financial Results					
(All amounts are in Rs. In Lakhs, unless otherwise stated)					
Sr. No.	Particulars	Half Year Ended			Year Ended
		September 30, 2023	March 31, 2023	September 30, 2022	March 31, 2023
		(Unaudited)			(Audited)
	REVENUE FROM OPERATIONS	-	6,829,395	7,776,489	14,605,884
	Less: Excise duty				-
1	Revenue from operations (net)	64.46	92.48	53.58	146.06
2	Other income	-	(0.00)	0.00	-
3	TOTAL REVENUE	64.46	92.48	53.58	146.06
		-	-	-	-
4	EXPENSES				
a)	Cost of materials consumed	56.24	154.82	65.64	220.45
	Purchases of stock-in-trade		-		
b)	Changes in inventories	21.35	(59.37)	(7.31)	(66.68)
c)	Employee benefits expense	18.97	23.72	9.05	32.78
d)	Finance costs	-	-	-	-
e)	Depreciation and amortisation expense	2.22	2.98	4.38	7.36
f)	Other expenses	20.29	50.45	27.98	78.43
	TOTAL EXPENSES	119.07	172.60	99.74	272.34
5	Profit / (Loss) before extraordinary & exceptional items and tax	(54.61)	(80.13)	(46.16)	(126.28)
	Extraordinary items - gain / (loss)	-	-	-	-
	Exceptional items - gain / (loss)	-	-	-	-
6	Profit / (Loss) before tax	(54.61)	(80.13)	(46.16)	(126.28)
		-	-	-	-
7	Tax expense:				
	Current tax expense for current year	-	-	-	-
	MAT credit reversal / (available for current year)	-	-	-	-
	Current tax expense relating to prior years	-	-	-	-
	Deferred tax charge / (credit)	-	-	-	-
8	Profit / (Loss) for the period	(54.61)	(80.13)	(46.16)	(126.28)
9	Earnings per share (of Rs.10 each)				
	(a) Basic	(0.98)	(1.43)	(0.83)	(2.26)
	(b) Diluted	(0.98)	(1.43)	(0.83)	(2.26)

Place:- Mumbai
Date: 10/11/2023

For and on behalf of the Board of Directors
Sd/-
Jay Jatin Shah
Whole Time Director & CFO
DIN : 09072405

Notes:

1. The above standalone financial results for the half year ended 30th September 2023 have been reviewed by the Audit Committee in their meeting held on 10/11/2023 and approved by the Board of Directors in their meeting held on 10/11/2023.
2. The Company is operating as a single segment company, engaged in manufacturing of non-alcoholic beverages, and hence there is no separate reportable business segment.
3. The Unaudited Financial Statements are prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the rules made thereunder and in the format as prescribed under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The financial information presented above is extracted from and is harmonized to conform with the Unaudited financial statements.
4. The aforesaid Financial results will be uploaded on the company's website www.valencianutrition.com and will also be available on the website of BSE Limited i.e. www.bseindia.com for benefit of Shareholders and Investors.
5. The Figures for six months ended 31-March-2023 has been arrived at after deducting figures for the half year ended 30-September-2022 from the figures of Year ended 31-March-2023.
6. Statutory auditors have carried out a limited review of the financials results for the period ended 30th September, 2023
7. Figures for the previous period have been regrouped or rearranged wherever necessary to confirm to current periods financial results
8. The below expenses pertain to launch of Bounce aluminium can products such as ROAR Energy drink, ROAR ginger Ale, Tonic Iconic Tonic water, Tonic Iconic Tonic Water Elder flower, Bootea Peach Iced Tea and ROAR Pink Guava at Taste of Vadodara from May 6, 2023 to June 4, 2023.

Taste of Vadodara is a one month long summer fair that draws students during their vacations along with their families offering a platform for dance performance of various kinds, music events and enjoy diverse array of food and beverages. Hence our company strategically chose to put up a stall to introduce our product range to the target audience in the age group of 15-40.

The below expenses were carried out whose benefits will occur to company for three to four years in terms of consumer awareness.

Taste of Vadodara (TOV) Expenses list:

Particulars	Amount in Lakhs
TOV Rent	1.35
Travelling Expenditure	0.5
Food & Accommodation Expenditure	0.75
TOV Sampling	1.4
Total	4

Valencia Nutrition Limited		
Address - Office no. 601, A Wing, Neelkanth Business Park, 6th Floor, A wing, Nathani Road, Vidyavihar (West) Mumbai 400086		
CIN:- L51909MH2013PLC381314		
STANDALONE CASH FLOW STATEMENT		
Particulars	(All amounts are in Rs. In Lakhs, unless otherwise stated)	
	Half Year ended 30-Sep-2023	Year ended 31-Mar-2023
	(Unaudited)	(Audited)
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	(54.61)	(126.28)
Adjustments for:		
Depreciation and amortisation expenses	2.22	7.36
Reversal of Provision for gratuity and leave encashment	-	-
(Profit)/Loss on fixed assets sold, scrapped, etc. (net)	-	-
Interest income	-	-
Capital advance written off	-	-
Bad debts/advances written off & provision made	-	-
Provision for expiry	-	-
Interest expense	-	-
	2.22	7.36
Cash Generated from operations before working capital changes	(52.39)	(118.92)
Adjustments for:		
(Increase)/decrease in inventories	21.35	(75.73)
(Increase)/decrease in trade receivables	23.16	(23.42)
(Increase)/decrease in short-term loans and advances	(34.43)	72.17
(Increase)/decrease in other current assets	8.86	(8.87)
(Increase)/decrease in long-term loans and advances	2.11	(2.11)
(Increase)/decrease in other non-current assets	-	-
Increase/(decrease) in trade payables	2.50	9.89
Increase/(decrease) in other current liabilities	(40.40)	(8.29)
Increase/(decrease) in short-term provisions	(2.06)	-
Increase/(decrease) in other long term liabilities	-	-
Increase/(decrease) in long-term provisions	0.25	-
	(18.67)	(36.35)
Cash generated from operations	(71.06)	(155.27)
Taxes paid (net of refunds)	-	-
Net cash generated from operating activities - [A]	(71.06)	(155.27)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of tangible/intangible assets	-	-
Purchase of investments	-	-
Interest received	-	-
Net cash generated/(used in) from investing activities - [B]	-	-
C CASH FLOW FROM FINANCING ACTIVITIES:		
Amounts borrowed during the year	71.07	158.27
Borrowings repaid	-	-
Capital received during the year including premiums	-	-
Interest paid	-	-
Net cash used in financing activities - [C]	71.07	158.27
Net increase/(decrease) in cash and cash equivalents - [A+B+C]	0.01	3.00
Cash and cash equivalents at the beginning of the year	7.55	4.57
Cash and cash equivalents at the end of the year	7.56	7.55
Cash and cash equivalents comprise of:		
Cash on hand	2.97	3.96
Balances with banks:		
In current accounts	4.60	3.59
Term deposits with original maturity of less than three months	-	-
	7.56	7.55

For and on behalf of the Board of Directors

Sd/-

Jay Jatin Shah

Whole Time Director & CFO

DIN : 09072405

Place:- Mumbai

Date:- 10/11/2023

Valencia Nutrition Limited*(Converted to Public Limited Company on April 9, 2018)*

Notes to the financial statements for the half year ended 30th September 2023

As at 30-Sep-2023**1 SHARE CAPITAL****Authorised**

5,700,000 equity shares of Rs.10/- each	57,000,000
	57,000,000

Issued, subscribed and fully paid up

5,585,341 equity shares of Rs.10/- each	55,853,410
TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	55,853,410

2 RESERVES AND SURPLUS**Securities premium account**

Opening balance	114,200,218
Add / (less) : Movements during the year:	
Premium on shares issued during the year (Preferential Allotment)	-
Premium on shares issued on IPO during the year (Net of Issue Expenses)	-
Issue of Bonus Shares in the ration of 12:1	-
Closing balance	114,200,218

Surplus / (Deficit) in Statement of Profit and Loss

Opening balance	(176,714,029)
Add / (less) : Movements during the year:	
Profit / (Loss) for the year	(5,460,731)
Closing balance	(182,174,760)
TOTAL RESERVES AND SURPLUS	(67,974,542)

3 LONG-TERM BORROWINGS**Term loans from banks**

Secured	-
	-

Other loans and advances (specify nature)

Unsecured Loans from related parties (refer note 24.12)	28,913,357
	28,913,357
TOTAL LONG-TERM BORROWINGS	28,913,357

4 LONG-TERM PROVISIONS**Provision for employee benefits**

Provision for compensated absences (Refer note 24.4)	-
Provision for gratuity (net) (Refer Note 24.3)	25,000
TOTAL LONG-TERM PROVISIONS	25,000

5 TRADE PAYABLES

Outstanding Dues of Micro, Small and Medium Enterprises (MSME) (Refer note 24.8)

Outstanding Dues for others	3,429,775
TOTAL OF TRADE PAYABLE	3,429,775

6 OTHER CURRENT LIABILITIES

Current maturities of long-term debt	
Statutory remittances payable	335,728
Payables on purchase of fixed assets	
Claims Payable	487,491

Valencia Nutrition Limited*(Converted to Public Limited Company on April 9, 2018)*

Notes to the financial statements for the half year ended 30th September 2023

	As at 30-Sep-2023
Accrued Expenses	3,655,036
Advance against land	
TOTAL OF OTHER CURRENT LIABILITIES	4,478,255
7 SHORT-TERM PROVISIONS	
Provision for employee benefits	
Provision for compensated absences (Refer Note 24.4)	424,822
Provision for gratuity (net) (Refer Note 24.3)	361,473
	786,295
Provision - Others	
Provision towards expired stock	-
	-
TOTAL OF SHORT-TERM PROVISIONS	786,295
8 NON-CURRENT INVESTMENTS	
Other investments	
Investment in equity instruments of:	
Other entities (Investment In Udaya Souharda Credit Co-operatvie Ltd)	
Total of other investments	-
Total of trade and other investments	-
(Less): Provision for diminution in value of investments	-
TOTAL OF NON-CURRENT INVESTMENTS	-
9 LONG-TERM LOANS AND ADVANCES	
Capital advances	
Unsecured, considered good	
Doubtful	-
	-
(Less): Provision for doubtful capital advances	-
	-
Security deposits	
Unsecured, considered good	673,505
Other loans and advances	
TOTAL OF LONG-TERM LOANS AND ADVANCES	673,505
10 INVENTORIES	
(At lower of cost and net-realizable value)	
Raw materials	-
Finished goods	6,219,302
TOTAL INVENTORIES	6,219,302
11 TRADE RECEIVABLES	
Trade receivables outstanding for a period exceeding six months:	
Unsecured, considered good	605,354
Doubtful	-
	605,354
Less: Provision for doubtful trade receivables	-
	605,354
Other Trade receivables	

Valencia Nutrition Limited*(Converted to Public Limited Company on April 9, 2018)*

Notes to the financial statements for the half year ended 30th September 2023

	As at 30-Sep-2023
Secured, considered good	
Unsecured, considered good	-
Doubtful	-
	-
Less: Provision for doubtful trade receivables	-
	-
TOTAL TRADE RECEIVABLES	605,354
12 CASH AND CASH EQUIVALENTS	
Balances with ESCROW Account in ICICI Bank (Refer Note)	-
Balances with other banks	459,858
Cash on hand	296,570
Bank Deposit	
TOTAL CASH AND CASH EQUIVALENTS	756,428
13 SHORT-TERM LOANS AND ADVANCES	
(Unsecured, considered good unless otherwise specified)	
Security deposits	
Unsecured, considered good	403,346
	403,346
	403,346
Prepaid expenses	
Advance Income Tax and TDS, net of provisions	-
MAT credit entitlement	
Income tax refund receivable	-
Advances to Vendors	2,792,385
Receivable from Government Authorities	7,017,179
Other loans and advances	5,670,000
TOTAL SHORT-TERM LOANS AND ADVANCES	15,882,910
14 OTHER CURRENT ASSETS	
Fixed deposits with maturity more than 12 months	
-Fixed deposit ear marked bank Guarantee	
-Other deposits with Banks	
Others Current Assets	111,886
TOTAL OF OTHER CURRENT ASSETS	111,886

Valencia Nutrition Limited

Address - A Wing, Bldg. No. 34, Tilak Nagar Chembur Sahvas Co-operative HSG Soc, Mumbai - 400089.

Notes to the financial statements for the Half year ended September 2023

	Half-year ended
	9/30/2023
15 REVENUE FROM OPERATIONS	
Sale of products	
Domestic sales	6,446,179
TOTAL REVENUE FROM OPERATIONS	6,446,179
16 COST OF MATERIALS CONSUMED	
Opening stock	-
Add: Purchases	5,623,548
	5,623,548
(Less): Closing stock	-
TOTAL COST OF MATERIALS CONSUMED	5,623,548
17 CHANGES IN INVENTORIES	
Inventories at the end of the year:	
Finished goods	6,219,302
Inventories at the beginning of the year:	
Finished goods	8,354,665
NET (INCREASE) / DECREASE	2,135,363
18 EMPLOYEE BENEFITS EXPENSE	
Salaries and wages	1,297,000
Directors' remuneration	600,000
Contributions to provident and other funds	-
Staff welfare expenses	-
Gratuity	-
TOTAL EMPLOYEE BENEFITS EXPENSE	1,897,000
19 OTHER EXPENSES	
Office Expenses	57,789.18
Rent including lease rentals	699,700.00
Travelling and conveyance	163,224.00
Freight and forwarding	1,500.00
Legal and professional	213,000.00
Hotel Expenses	144,937.18
Transport charges	201,106.04
advertising exp	80,276.00
bank charges	3,424.59
R&T/NSDL/CDSL SERVICES 18%	23,000.00
Lisiting Expenses	751.00
consultancy service	54,000.00
food exp	26,600.00
Round off	(112.32)
Annual Custody Fees	49,050
Commission	14,021
Electricity Exp	23,966
Discount	1,020
Fuel Expense	13,400
Housekeeping Expense	32,000
Interest on TDS	5,272
Packing Charges	152,227
Service Charge	3,783
Mobile Expense	5,791
Unloading Expense	59,430
TOTAL OTHER EXPENSES	2,029,156

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INDEPENDENT AUDITOR'S REPORT

TO,
THE MEMBERS OF VALENCIA NUTRITION LIMITED

Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the standalone financial statements of VALENCIA NUTRITION LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2023, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory

information.(hereinafter referred to as the "standalone financial statements.")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

FINANCIAL STATEMENTS

Sr. No.	Key Audit Matters	Auditor's Responses
1.	<p><u>Assessment of Going Concern Assumption:</u></p> <p>The Company's net worth is negative and it has incurred losses. The Company has started operations which in the opinion of the management will enable the Company to have profitability and enable a turnaround.</p>	<p><u>Principal Audit Procedures:</u></p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> Reviewed the satisfaction of Financial obligations during the financial year Reviewed the infusion of funds by way of long term loan by the promoter director Reviewed the activities during the financial year for resumption of business and verified the re launch of products and launch of new products.

4. Information Other than the Financial Statements and Auditor's Report thereon The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

FINANCIAL STATEMENTS

5. Responsibilities of Management for Standalone Financial Statements The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

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

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

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

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

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

FINANCIAL STATEMENTS

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

FINANCIAL STATEMENTS

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

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

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

7. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" to this report a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

FINANCIAL STATEMENTS

e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements

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

iii. There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

FINANCIAL STATEMENTS

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during or for the financial year and hence reporting under Rule 11(f) is not applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For M/s. Shah and Modi,
Chartered Accountants
FRN: 112426W**

Sd/-

**Jaydeep N. Modi
Partner
M. No. 039255
Date: 29/05/2023
Place: Mumbai
UDIN:23039255BGWMRS1689**

FINANCIAL STATEMENTS

Annexure B to the Independent Auditors' Report

Report under The Companies (Auditor's Report) Order, 2020 (CARO 2020) for the year ended on 31st March, 2023

**TO,
THE MEMBERS OF VALENCIA NUTRITION LIMITED**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that,

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) i. The Company has not maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. ii. Since there are no intangible assets, hence, reporting under clause (i) (a) (ii) of the Order is not applicable.

(b) The Company does not have a regular programme of physical verification of its Property, Plant and Equipment and right-of-use assets, by which all assets are verified in a phased manner on an annual basis.

(c) There are no immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.

ii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the inventory has been physically verified by the management. Inventories lying with third parties have been confirmed by them as at 31 March 2023. There were no discrepancies in aggregate for each class of Inventory.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause (ii)(b) of the Order is not applicable.

FINANCIAL STATEMENTS

iii. (a) The company, during the year, has not made any investments in, given any guarantee or security or granted any loans or advances which are characterised as loans, unsecured or secured, to LLPs, firms or companies or any other person. Hence reporting under clause (iii) (a), (b), (c), (d), (e) and (f) of the order is not applicable.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, if any.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii. In respect of Statutory dues:

(a) In our opinion, the Company has not been regular in depositing undisputed statutory dues, with respect to Goods and Services tax and TDS. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues applicable to it with the appropriate authorities

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Nature of Statue	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (In Lakhs)
The Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	AY 2017-18	83.07

FINANCIAL STATEMENTS

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, reporting as per clause (viii) of the Order is not applicable to the Company.

ix. (a) To the best of knowledge and according to information and explanations given to us, The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, if any.

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

(c) In our opinion and according to the information and explanations given to us the Company has not raised any money obtained by way of term loans during the year.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

(e) There are no subsidiaries or joint ventures of the company. Hence, the requirement to report on clause (ix)(e) of the Order is not applicable to the Company.

(f) There are no subsidiaries or joint ventures of the company. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x) (a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x) (b) of the Order is not applicable.

xi. (a) To the best of knowledge and according to information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

(c) To the best of knowledge and according to information and explanations given to us, there were no whistle-blower complaints reported to the company and hence reporting under clause (xi) (c) of the Order is not applicable.

FINANCIAL STATEMENTS

xii. The Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, reporting under clause (xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

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

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

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi) (a), (b) and (c) of the Order is not applicable.

(b) The Group does not have any Core Investment Company as part of the group and accordingly reporting under clause (xvi) (d) of the Order is not applicable.

xvii. The Company has incurred cash losses of Rs. 120.31 lakhs and 66.57 lakhs during the financial year covered by our audit and the immediately preceding financial year respectively.

xviii. There has been no resignation of the statutory auditors of the Company during the year

FINANCIAL STATEMENTS

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. The provisions of section 135 with respect to Corporate Social Responsibility do not apply to the aforesaid company. Therefore provisions of clause 3(xx) (a) and (b) of the order are not applicable to the company.

**For M/s. Shah and Modi,
Chartered Accountants
FRN: 112426W**

SD/-

**Jaydeep N. Modi
Partner
M. No. 039255
Date: 29/05/2023
Place: Mumbai
UDIN:23039255BGWMRS1689**

FINANCIAL STATEMENTS

Annexure – A

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

We have audited the Internal Financial Controls over financial reporting of **VALENCIA NUTRITION LIMITED** (“the Company”), as of 31 March, 2023 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

FINANCIAL STATEMENTS

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

FINANCIAL STATEMENTS

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M/s. Shah and Modi,
Chartered Accountants
FRN: 112426W**

SD/-

**Jaydeep N. Modi
Partner
M. No. 039255
Date: 29/05/2023
Place: Mumbai
UDIN:23039255BGWMRS1689**

FINANCIAL STATEMENTS

Valencia Nutrition Limited
CIN : L51909MH2013PLC381314
Balance Sheet as at 31st March, 2023

(Rs. in Lakhs)

Particulars	Note No	31st March 2023	31st March 2022
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share capital	2	558.53	558.53
(b) Reserves and Surplus	3	(625.14)	(498.86)
(2) Non-current liabilities			
(a) Long-term borrowings	4	218.07	59.80
(3) Current liabilities			
(a) Short Term Borrowings		-	-
(b) Trade payables	5	-	-
(A) total outstanding dues of micro enterprises and small enterprises; and		-	1.49
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		31.80	20.42
(c) Other current liabilities	6	85.19	93.47
(d) Short-term provisions	7	9.92	9.92
Total		278.37	244.78
II. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment and Intangible assets	8		
(i) Property, plant and equipment		14.84	22.20
(b) Non-current investments		-	-
(c) Long term loans and advances	9	8.85	6.74
(2) Current assets			
(a) Inventories	10	83.55	7.82
(b) Trade receivables	11	29.21	5.80
(c) Cash and cash equivalents	12	7.55	4.56
(d) Short-term loans and advances	13	124.40	196.57
(e) Other Current Assets	14	9.97	1.10
Total		278.37	244.78

Significant accounting policies 1
Notes referred to above form an integral part of the Financial Statements.

As per our report of even date
For Shah & Modi
Chartered Accountants
FRN : 112426W

SD/-

Mr. Jaydeep N. Modi
Partner

M.No.: 039255
Date:- 29/05/2023
Place:- Mumbai

For & On Behalf of the Board

SD/-

Manish Pravinchandra Turakhia
Director
DIN : 02265579
Date:- 29/05/2023
Place:- Mumbai

SD/-

Jay Jatin Shah
Whole time director
and CFO
DIN : 09072405
Date:- 29/05/2023
Place:- Mumbai

SD/-

Aditya Agarwal(PAN- APGPA7704N)
Company secretary

Valencia Nutrition Limited
CIN : L51909MH2013PLC381314

Statement of Profit and Loss for the year ended 31st March, 2023

(Rs. in Lakhs)

	Particulars	Note No.	Financial Year 2022-23	Financial Year 2021-22
I	Revenue from operations	15	146.06	-
II	Other income	16	-	0.04
III	Total Income		146.06	0.04
IV	Expenses:			
	Cost of materials consumed	17	220.45	1.31
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	18	(66.68)	-
	Employee benefit expense	19	32.78	16.39
	Financial costs	20	-	0.70
	Depreciation and amortisation cost	21	7.36	7.55
	Other expenses	22	78.43	40.62
	Total expenses		272.34	66.57
V	Profit before exceptional items and tax (III - IV)		(126.28)	(66.53)
VI	Exceptional Items - gain / (loss)	23	-	0.36
VII	Profit before tax (V - VI)		(126.28)	(66.17)
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	Profit/(Loss) for the period (VII-VIII)		(126.28)	(66.17)
	Earning per equity share:	24		
	Face value per equity shares Rs.10/- fully paid up.			
	(1) Basic		(2.26)	(1.18)
	(2) Diluted		(2.26)	(1.18)

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

As per our report of even date
For Shah & Modi
Chartered Accountants
FRN : 112426W

SD/-

Mr. Jaydeep N. Modi
Partner
M.No.: 039255
Date:- 29/05/2023
Place:- Mumbai

For & On Behalf of the Board

SD/-

Manish Pravinchandra Turakhia
Director
DIN : 02265579
Date:- 29/05/2023
Place:- Mumbai

SD/-

Jay Jatin Shah
Whole time director and CFO
DIN : 09072405
Date:- 29/05/2023
Place:- Mumbai

SD/-

Aditya Agarwal(PAN- APGPA7704N)
Company secretary

VALENCIA NUTRITION LTD
CIN : L51909MH2013PLC381314
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Particulars	For the Year ended March 31, 2023	For the year ended March 31, 2022
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit (loss) before tax and extraordinary items	(126.28)	(66.17)
Adjustments for:		
Depreciation expense	7.36	7.55
Reversal of Provision for gratuity and leave encashment	-	-
(Profit) / Loss on sale of fixed assets	-	1.63
Interest income	-	(0.04)
Capital advance written off	-	-
Bad debts/advances written off & provision made	-	-
Provision for expiry	-	-
Interest expenses	-	0.70
Appropriation of profits	-	-
	7.36	9.84
Operating profit / (loss) before working capital changes	(118.92)	(56.33)
Changes in working capital:		
Increase / (Decrease) in trade payable	9.89	(33.98)
Increase / (Decrease) in short term provision	-	0.25
Increase / (Decrease) in long term provisions	-	-
Increase / (Decrease) in deferred tax liabilities	-	-
Increase / (Decrease) in other current liabilities	(8.29)	(27.29)
(Increase)/decrease in long-term loans and advances	(2.11)	(1.46)
(Increase) / Decrease in short term loan and advances	72.17	(11.55)
(Increase) / Decrease in trade receivables	(23.42)	(3.59)
(Increase) / Decrease in inventories	(75.73)	-
(Increase)/decrease in other current assets	(8.87)	(1.10)
(Increase)/decrease in other non-current assets	-	0.10
	(36.35)	(78.61)
CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	(155.28)	(134.94)
Less: Taxes paid	-	-
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	(155.28)	(134.94)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sales of tangible / intangible assets	-	112.13
Interest Received	-	0.04
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES	-	112.17
C. CASH FLOW FROM FINANCING ACTIVITIES		
Amount borrowed during the year	158.27	41.76
Interest expenses	-	0.70
Borrowings repaid	-	-
Dividend paid	-	-
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES	158.27	42.46
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	2.99	19.69
Cash and Cash equivalents at beginning period (Refer Note 14)	4.56	23.22
Cash and Cash equivalents at end of period (Refer Note 14)	7.54	4.56
D. Cash and Cash equivalents comprise of		
Cash on hand	3.96	2.05
<u>Balances with banks</u>		
In current accounts	3.59	2.52
Total	7.55	4.56

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

As per our report of even date
For Shah & Modi
Chartered Accountants
FRN : 112426W
SD/-

Mr. Jaydeep N. Modi
Partner
M.No.: 039255
Date:- 29/05/2023
Place:- Mumbai

For & On Behalf of the Board

SD/-

Manish Pravinchandra
Turakhia
Director
DIN : 02265579
Date:- 29/05/2023
Place:- Mumbai

SD/-

Aditya Agarwal(PAN- APGPA7704N)
Company secretary

SD/-

Jay Jatin Shah
Whole time director and
CFO
DIN : 09072405
Date:- 29/05/2023
Place:- Mumbai

FINANCIAL STATEMENTS

M/S. VALENCIA NUTRITION LIMITED

Note 1: SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information:

Valencia Nutrition Limited ('the Company'), headquartered in Bangalore, Karnataka, India, was incorporated on 1st April, 2013. The company is engaged in the business of developing, manufacturing, sale & distribution of nutraceutical products. The Company has entered into the listing agreement with the BSE Limited on 02 January 2020, pursuant to the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for listing of its shares. The company has successfully completed the Initial Public Offering (IPO) in the current year and its shares have started trading on the Bombay Stock Exchange Startups (BSE Startups) on 06 January 2020.

2. Summary of significant accounting policies:

a)Basis of preparation of financial statements

The financial statements have been prepared on the basis of a going concern assumption, on historical cost convention and on accrual method of accounting in accordance with the generally accepted accounting principles in India, Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable and the provisions of the Companies Act, 2013 as adopted consistently by the Company.

b)Use of estimates

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, the useful lives and provision for impairment of fixed assets and intangible assets. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

FINANCIAL STATEMENTS

c) Cash Flow Statement

Cash Flow Statement is prepared under the "Indirect Method" as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements", whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period.

d) Cash and Cash Equivalents

Cash comprises cash on hand, current accounts and demand deposit with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into loan amounts of cash and which are subject to insignificant risk of changes in values.

e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by the Management. The Company depreciates property, plant and equipment over their estimated useful lives using the written down value method, considering a salvage value of 5%. The estimated useful lives of assets are as follows:

Asset	Estimated useful life
Plant and equipment	15 years
Office equipment	5 years
Tools	3 years
Computers and IT equipment	3 years
Furniture & fittings	10 years

FINANCIAL STATEMENTS

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. Subsequent expenditures relating to property, plant and equipment are capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in net profit in the Statement of Profit and Loss when incurred. The cost incurred on assets yet to be available for use as at the end of the reporting period is disclosed as "Capital Work in Progress". Depreciation is charged from the time asset is available for use. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Advances paid towards the acquisition of property, plant and equipment, Tools outstanding at each balance sheet date are classified as capital advances under other non-current assets.

f) Depreciation and Amortization

Depreciation on property, plant & equipment is provided on pro-rata basis for the period of use, on Written down value at the rates determined based on useful lives of respective assets as prescribed in the Schedule II of the Companies Act, 2013.

g) Revenue recognition

Revenue from sale of products are recognised when substantial risks and rewards of ownership are transferred to customers, and are stated net of trade discounts, rebates and value added tax or goods and services tax.

h) Inventories

a) Inventories are valued at cost on First in First out (FIFO) basis or Net Realizable Value whichever is less.

b) Cost of inventories comprises of costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. c) The diminution in the value of obsolete, unserviceable, slow moving and non moving stores and spares are assessed periodically and accordingly provided for. d) Consumables are charged to the Statement of Profit and Loss in the year of purchase irrespective of the

FINANCIAL STATEMENTS

i) Retirement and other benefits to employees

The company accounts for salaries on an accrual basis. The Company's provident fund schemes are defined contribution plans. The contributions paid/payable under the schemes are recognized immediately in the Statement of Profit and Loss.

j) Impairment

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at appropriate discount rates. 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.

k) Provisions and Contingent Liabilities

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year-end date. Contingent Assets are not recognised or disclosed in the financial statements

FINANCIAL STATEMENTS

l) Segment Reporting

The Company is engaged in the business of non-alcoholic nutrition based beverages. The risks and returns of the Company are predominantly determined by its principal product and the Company's activities fall within a single business segment. The company does not have any geographical segment.

m) Earnings Per Share

Basic Earnings per Share (EPS) is computed by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS is computed by dividing the net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the result are anti-dilutive.

3. a) Business segment

The Company has only one reportable business segment of dealing in non-alcoholic nutrition based beverages. Hence, no disclosure is required for business segment.

b) Geographical segments

The company does not have any reportable geographical segments.

4. Deferred tax assets/liabilities (net):

The company has not recognised net deferred tax asset arising on account of timing difference of expenses allowed as per books and income tax and on accumulated losses on prudence, as there does not exist virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

FINANCIAL STATEMENTS

5. Information on revenue and purchases:

a. The Company gets its products processed through bottling units under two models: i) Job work model – Where the Company sends goods to the bottling unit under the cover of challan, and the Unit dispatches finished products. Units charge for the 'job work' in such instances.

ii) Sale & purchase model – Under this model, the Company sells raw materials & packing materials to bottling units, and such units sell finished goods to the Company.

b. Lease:

i. The company has not entered into any non-cancellable lease during the year. ii. The Company has taken premises on lease which is an operating lease. Rentals paid during the year has been charged to Profit and Loss Account.

c. All amounts are in Indian Rupees unless otherwise specified therein. Previous year's figures have been reclassified, regrouped wherever necessary, to be consistent with the current year's classification.

As per our attached report of even date.

For M/s. Shah and Modi For and on behalf of the Board of Directors

Chartered

Accountants FRN:

112426W

SD/-

Mr. Jaydeep N. Modi
Partner

SD/-

Manish Pravinchandra Turakhia
Director

SD/-

Jay Jatin Shah
Whole Time Director & CFO

Membership No: 039255

Date: 29/05/2023

Place : Mumbai

DIN: 02265579

Date: 29/05/2023

Place : Mumbai

DIN: 09072405

Date: 29/05/2023

Place : Mumbai

SD/-

Aditya Agarwal

(PAN:APGPA7740N)

Company Secretary

FINANCIAL STATEMENTS

Valencia Nutrition Limited CIN: L51909MH2013PLC381314

Note 2 :- Share capital

2.1 Authorized, Issued, Subscribed and Paidup share capital

(Rs. in Lakhs)

Sr No.	Particulars	31st March, 2023		31st March, 2022	
		No. of Shares	Amount	No. of Shares	Amount
1	Authorised Share Capital				
	Equity Shares of 10.00 each	5,70,00,000	5,700.00	5,70,00,000	5,700.00
	Total	5,70,00,000	5,700.00	5,70,00,000	5,700.00
	Subscribed and fully paid				
	Equity Shares of 10.00 each	55,85,341	558.53	55,85,341	558.53
	Total	55,85,341	558.53	55,85,341	558.53
	Total	55,85,341	558.53	55,85,341	558.53

2.2 : Reconciliation of number of shares outstanding is set out below:

Sr No.	Particulars	31st March, 2023	31st March, 2022
1	Equity shares at the beginning of the year	55,85,341	55,85,341
2	Add: Shares issued during the current financial year	-	-
3	Equity shares at the end of the year	55,85,341	55,85,341

2.3 Shareholders holding more than 5% of Shares

Sr No.	Name	31st March, 2023		31st March, 2022	
		No. of Shares	% of Holding	No. of Shares	% of Holding
1	Deepthi Anand	18,79,904	33.66%	18,79,904	33.66%
2	Veer Value Ventures LLP	5,85,000	10.47%	5,85,000	10.47%

2.4 Shareholding of Promoters

Shareholding of Promoters at the end of the year 31st March 2023

Sr No.	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	Deepthi Anand	18,79,904	33.66%	0.00%
2	Manish Pravinchandra Turakhia	2,38,329	4.27%	0.00%
3	Veer Value Ventures Up	5,85,000	10.47%	0.00%
4	Chauhan Ventures Up	2,21,000	3.96%	0.00%
5	Jash Ventures	1,99,550	3.57%	0.00%
6	Arham Ventures	1,08,329	1.94%	0.00%
7	Vishva Vama Ventures	97,500	1.75%	0.00%
8	Simran Ventures	65,000	1.16%	0.00%
9	Sanghavi Ventures	54,171	0.97%	0.00%
10	H M Arvindkumar Ventures Up	54,171	0.97%	0.00%
11	Ample Ventures	43,329	0.78%	0.00%
12	Ashit Alapi Ventures	21,671	0.39%	0.00%
	Total	35,67,954	63.88%	0.00%

Shareholding of Promoters at the end of the year 31st March 2022

Sr No.	Promoter Name	No. of Shares	% of total shares	% Change during the year
1	Deepthi Anand	18,79,904	33.66%	0.00%
2	Manish Pravinchandra Turakhia	2,38,329	4.27%	0.00%
3	Veer Value Ventures Up	5,85,000	10.47%	0.00%
4	Chauhan Ventures Up	2,21,000	3.96%	0.00%
5	Jash Ventures	1,99,550	3.57%	0.00%
6	Arham Ventures	1,08,329	1.94%	0.00%
7	Vishva Vama Ventures	97,500	1.75%	0.00%
8	Simran Ventures	65,000	1.16%	0.00%
9	Sanghavi Ventures	54,171	0.97%	0.00%
10	H M Arvindkumar Ventures Up	54,171	0.97%	0.00%
11	Ample Ventures	43,329	0.78%	0.00%
12	Ashit Alapi Ventures	21,671	0.39%	0.00%
	Total	35,67,954	63.88%	0.00%

2.5 Management Disclosure Notes

1. The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share.
2. There is no fresh issue or buyback of shares during the year.
3. The Company has only one class of equity shares. Each holder of equity shares is entitled to one vote per share.
4. There is no change in the number of shares outstanding at the beginning and at the end of the year.
5. There is no change in the pattern of shareholding during the year. It is same as the last year.

Note 3: Reserves and Surplus

(Rs. in Lakhs)

Sr no	Particulars	31st March, 2023	31st March, 2022
1	Securities Premium Account :		
	Balance as at the beginning of the year	1,142.00	1,142.00
	Add / (Less) : Movements during the year :	-	-
	Balances as at the end of the Year	1,142.00	1,142.00
2	Surplus:		
	Balance as at the beginning of the year	(1,640.86)	(1,574.69)
	Add/(Less):- Profit/(Loss) for the year	(126.28)	(66.17)
	Balances as at the end of the Year	(1,767.14)	(1,640.86)
	Total	(625.14)	(498.86)

Note 4 : Long term borrowings

(Rs. in Lakhs)

Sr No.	Particulars	31st March, 2023	31st March, 2022
1	Other Loans and advances from related parties:		
	-Unsecured Loans from related parties	218.07	59.80
	TOTAL	218.07	59.80

Note :

Unsecured loan from related parties includes loan from directors of the company which are interest free and repayable on demand.

FINANCIAL STATEMENTS

4.1 : Unsecured Loans and advances from related parties:

(Rs. in Lakhs)

Sr No.	Particulars	31st March, 2023	31st March, 2022
1	Loan From Rachel Kattukaran	6.02	6.02
2	Loan From Rajkumar Elango	6.00	6.00
3	Loan From Venugopal Nambiar	6.02	6.02
4	Manish Pravinchandra Turakhia	200.03	41.76
	Total	218.07	59.80

Note 5 : Trade payables

(Rs. in Lakhs)

Sr No.	Particulars	31st March, 2023	31st March, 2022
1	Total outstanding dues of micro enterprises and small enterprises	-	1.49
2	Total outstanding dues of creditors other than micro enterprises and small enterprises	31.80	20.42
	For Goods	-	-
	For Expenses	-	-
	Total	31.80	21.91

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

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

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	12.49	-	12.41	6.90	31.80
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Trade Payables ageing schedule: As at 31st March 2022

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1.49	-	-	1.49
(ii) Others	0.02	12.67	6.27	1.26	20.42
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

5.1 : Trade Payable: Total outstanding dues of micro enterprises and small enterprises

(Rs. in Lakhs)

Sr No.	Particulars	31st March, 2023	31st March, 2022
1	Manian & Rao	-	1,49,273.00
	Total	-	1,49,273.00

5.2 : Trade Payable: Total outstanding dues of creditors other than micro enterprises and small enterprise

(Rs. in Lakhs)

Sr No.	Particulars	31st March, 2023	31st March, 2022
1	Creditor for Marketing	-	-
2	Creditors for Capital	-	-
3	Creditors for Expenses	6.50	5.49
4	Creditors for Materials	24.30	12.61
5	Old Creditors	1.31	1.94
6	Team Global	(0.30)	-
7	Raja Marketing	-	-
8	Salary - C Sathish Kumar	-	1.85
9	VISHRAM	-	0.02
	Total	31.80	21.91

Note 6 : Other Current Liabilities

(Rs. in Lakhs)

Sr No.	Particulars	31st March, 2023	31st March, 2022
1	Statutory Dues:		
	- Statutory remittances payable	4.47	3.30
2	Other Dues:		
	- Payables on purchase of fixed assets	-	0.72
	- Claims Payable	27.85	46.19
	- Accrued Expenses	52.87	43.26
	Total	85.19	93.47

6.1 : Statutory Dues:

(Rs. in Lakhs)

Sr No.	Particulars	31st March, 2023	31st March, 2022
1	TDS payable on Contract	0.00	0.00
2	TDS payable on Salary	2.83	2.83
3	TDS payable on Professional Fees	1.25	0.14
4	ESI Payable	0.01	0.01
5	Professional Tax Payable	0.02	0.02
6	Provident Fund Payable	0.35	0.35
7	DSC	(0.03)	(0.03)
8	MCA	(0.02)	(0.01)
9	TDS Payable on Commission	0.06	-
	Total	4.47	3.30

6.2 : Payables on purchase of fixed assets:

(Rs. in Lakhs)

Sr No.	Particulars	31st March, 2023	31st March, 2022
1	Dwar Ecodesigns	-	-
2	Techstone Machineries	-	0.72
	Total	-	0.72

FINANCIAL STATEMENTS

6.3 : Claims Payable :

(Rs. in Lakhs)

Sr No.	Particulars	31st March, 2023	31st March, 2022
1	Bangalore - Distributor/Customer	-	0.01
2	Bangalore - SS	12.47	17.99
3	Goa-SS	3.46	3.46
4	Nagpur	-	0.00
5	Tamilnadu - SS	5.29	14.97
6	Telanganagana-SS	6.63	8.96
7	KETAKI	-	0.80
	Total	27.85	46.19

6.4 : Accrued Expenses:

(Rs. in Lakhs)

Sr No.	Particulars	31st March, 2023	31st March, 2022
1	Audit Fees Payable	2.50	2.50
2	Expenses Payable (Provision)	0.34	0.34
3	Mobile/Telephone Charges Payable	-	0.04
4	Provision for Director Remuneration	12.00	-
5	Provision for Internal Audit Fees	1.94	1.44
6	Rent Payable	0.80	0.80
7	Salary Payable	27.49	28.30
8	Old Payable	0.20	0.44
9	Sales Ta Da Payable	1.59	1.61
10	Anuradha	-	0.03
11	Reimb Exp - Deepthi Anand	1.13	2.96
12	Reimb Exp - Navneeth	-	0.00
13	Reimb Exp - Adarsh	-	(0.08)
14	Reimb Exp - Peeyush	-	0.10
15	Provision for Bonus	4.87	4.87
16	Reimb Exp-Pavan Kumar R	-	(0.03)
17	Reimb-Exp - Prabhha	-	(0.08)
	Total	52.87	43.26

Note 7 : Short Term Provisions

(Rs. in Lakhs)

Sr No.	Particulars	31st March, 2023	31st March, 2022
1	Provision for employee benefits	-	-
	-Provision for Compensated Absences	4.25	4.25
	-Provision for Gratuity	5.67	5.67
	Total	9.92	9.92

(Rs. in Lakhs)

Details of Assets	Gross Block				Accumulated Depreciation				Net Block	
	As On 01st April, 2022	Additions	Deductions	Total 31st March, 2023	As On 01st April, 2022	For The Year	Deductions	As on 31st March, 2023	As At 31st March, 2023	As At 31st March, 2022
TANGIBLE ASSETS										
Plant & machinery	21.95	-	-	21.95	11.10	2.61	-	13.71	8.24	10.85
Computers	2.33	-	-	2.33	2.03	0.31	-	2.34	(0.00)	0.31
Telephone system	-	-	-	-	-	-	-	-	-	-
Office equipments	1.46	-	-	1.46	1.42	0.04	-	1.46	0.00	0.04
Furniture & fixtures	1.29	-	-	1.29	1.17	0.12	-	1.29	(0.00)	0.12
Moulds, tools and cylinders	29.46	-	-	29.46	27.01	2.45	-	29.46	0.00	2.45
Laboratory Equipments	15.39	-	-	15.39	5.31	3.49	-	8.80	6.59	10.08
Vehicles	-	-	-	-	1.66	(1.66)	-	(0.00)	0.00	(1.66)
	71.89	-	-	71.89	49.70	7.36	-	57.06	14.84	22.20
	-	-	-	-	-	-	-	-	-	-
Total	71.89	-	-	71.89	49.70	7.36	-	57.06	14.84	22.20
Figures of previous year	183.09	11.63	9.68	185.04	36.23	13.43	5.99	43.66	141.37	146.67

FINANCIAL STATEMENTS

Valencia Nutrition Limited
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Notes Forming Part of Balance Sheet

Note 9 : Long term loans and advances

(Rs. in Lakhs)

Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	Security deposit		
	a) Secured, considered good	-	-
	b) Unsecured, considered good	8.85	6.74
2	Other loans & advances	-	-
	Total	8.85	6.74

9.1 : Security Deposit(Unsecured, Considered good):

(Rs. in Lakhs)

Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	Deposit (Warehouse)		
	Gangamma	2.20	2.20
	Sucheetha G	(0.37)	(0.37)
		-	-
2	Security Deposits		
	Aishwarya Deposit	1.52	1.52
	A Pyass Natural & Helathy - Security Deposit	2.00	2.00
	Deposits	0.12	0.12
	Security Deposit CDSL	0.37	0.37
	Security Deposit NSDL	0.10	0.10
	Security Deposit - VAT	0.05	0.05
	Rent Deposit Bangalore	2.11	-
	Rent Deposit Office	0.75	0.75
	Total	8.85	6.74

Note 10 : Inventories*

(Rs. in Lakhs)

Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	Finished goods	66.68	-
2	Semi finished goods	-	-
3	Raw material	16.87	7.82
4	Stores & packing	-	-
	*Valued at lower of cost or net realizable value		
	Total	83.55	7.82

Note 11 : Trade receivables

(Rs. in Lakhs)

Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	Unsecured, considered good	29.21	5.80
2	Doubtful	-	-
	Total	29.21	5.80

Trade Receivables ageing schedule as at 31st March, 2023

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	4.51	22.61	0.10	1.99	-	29.21
(ii) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables -considered good	-	-	-	-	-	-
(iv) Disputed trade receivables -considered doubtful	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31st March, 2022

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	-	3.61	1.61	0.54	0.03	5.80
(ii) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-
(iii) Disputed trade receivables -considered good	-	-	-	-	-	-
(iv) Disputed trade receivables -considered doubtful	-	-	-	-	-	-

FINANCIAL STATEMENTS

11.1 : Trade Receivables:

(Rs. in Lakhs)

Sr No.	Particulars	31st March, 2023	31st March, 2022
1	Manoj Trading Corporation	-	0.01
2	ARR BADMINTON ACADEMY	-	0.03
3	Namdhari Agro Fresh Pvt Ltd- HO	0.19	0.19
4	Nandeeshwara Enterprises	0.38	0.38
5	Sapna Book House (P) Ltd	0.29	0.29
6	Indwell Retail Pvt Ltd	-	0.05
7	Jyothy Fabricare Services Limited	-	0.07
8	United Marketing	-	0.01
9	Aashna Dodhiwala	0.57	0.00
10	Tanmay Tradelink LLP	1.10	1.10
11	Veer Capital Management P.Ltd.	-	0.07
12	Lokesh Sales	0.16	0.16
13	Peeyush Agrawal	-	2.76
14	Amazon Sales	0.10	0.13
15	I Tiffin	-	0.00
16	Food Corner	-	0.05
17	Rajendra Panjwani	-	0.50
18	A B Universal	1.08	-
19	Amudha Agency	0.16	-
20	B2C	0.51	-
21	Jeevitha Agencies	0.91	-
22	Kanchi Kamatchi Traders	0.54	-
23	Ketaki	(0.80)	-
24	M/S Srinathkalynappa Mulge Contractor	1.14	-
25	Natlfe Beverages India Private Limited	4.48	-
26	Natlfe Beverages India Private Limited Crs	(9.78)	-
27	Om Sri Sai Traders	1.17	-
28	Sah Industries	(0.25)	-
29	Shivparvati Foods & Beverages Limited	0.26	-
30	Shri Adishakti And Rekha Traders	1.00	-
31	Sree Gayathri Agencies	1.19	-
32	Sri Durga malleswara Agencies	1.18	-
33	Sri Rajendra Store	0.61	-
34	Sri SMK Enterprises Allo Aqua Beverages	1.50	-
35	Sri Vinayaga Traders	0.18	-
36	Star Traders	0.98	-
37	Vijay Enterprises	5.13	-
38	VKS Food and Beverages	1.88	-
39	Yesri Marketing	13.36	-
	Total	29.21	5.80

FINANCIAL STATEMENTS

Valencia Nutrition Limited
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Notes Forming Part of Balance Sheet

Note 12 : Cash and bank balances

(Rs. in Lakhs)

Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	Cash in hand	3.96	2.05
	Sub total (A)	3.96	2.05
2	Balances with Banks		2.52
	HDFC OD A/c NO- 50200049299445	-	-
	HDFC-50200026935914 (for Share Account)	-	-
	HDFC Bank 5020000459435 for Normal Trans	0.40	0.40
	ICICI Bank Account -3237	2.94	1.86
	Udaya Souharda Co-Operative Bank	0.26	0.26
	Sub total (B)	3.59	2.52
3	Other Bank Balances		
	-Fixed deposit earmarked bank Guarantee	-	-
	-Other deposits with Banks	-	-
	Sub total (C)	-	-
	Total	7.55	4.56

Note 13 : Short terms loans and advances

(Rs. in Lakhs)

Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	Others		
	-Advances to Vendors	5.40	26.32
	-Receivable from Government Authorities	61.55	61.55
	-Other advances	57.45	108.70
	Total	124.40	196.57

13.1 : Advances to Vendors:

(Rs. in Lakhs)

Sr No.	Particulars	31st March, 2023	31st March, 2022
1	Techlone Machineries	5.00	-
2	Vinod Konery	0.40	-
3	Crystal Vision Packaging Co	-	1.51
4	Vinay Products	-	1.00
5	Bigshare Services Pvt Ltd	-	0.11
6	Kavyah Advisors	-	0.91
7	Manian & Rao	-	0.18
8	VRL LOGISTICS LTD	-	0.32
9	A Pyaas Natural and Healthy-Job Work	-	4.91
10	Sri Durga Sales Corporation	-	4.50
11	Global Calcium Pvt Ltd	-	0.31
12	Hitesh Plastics Pvt Ltd	-	2.18
13	GUNDARE INGREDIENTS	-	3.17
14	HARDIK HIR	-	0.30
15	Make My Trip	-	1.49
16	MIRTILLO	-	0.77
17	RGSK Easy	-	0.64
18	salary- CHOPPADANDI RAVINDER	-	0.30
19	Salary-HARISH A GAITONDE	-	0.17
20	Salary- Pankaj Govind Vernekar	-	0.05
21	SANJHOG COMMUNICATION PVT LTD	-	0.31
22	SAURABH RANGMALE	-	0.71
23	SHREEVENTHI	-	2.19
24	Team Global	-	0.30
	Total	5.40	26.32

FINANCIAL STATEMENTS

13.2 : Receivable from Government Authorities:

(Rs. in Lakhs)

Sr No.	Particulars	31st March, 2023	31st March, 2022
1	GST Receivable	60.68	60.68
2	VAT Receivable	0.87	0.87
	Total	61.55	61.55

13.3 : Other loans and advances :

(Rs. in Lakhs)

Sr No.	Particulars	31st March, 2023	31st March, 2022
1	Advance to Anand -Warehouse	-	-
2	Advance to Anand -Warehouse for Exps	-	-
3	Advance to Lokesh	-	-
4	N Thilak Loan	0.75	-
5	Mansukha Advisory Pvt Lyd	56.70	108.70
	Total	57.45	108.70

Note 14 : Other Current Assets

(Rs. in Lakhs)

Sr. No.	Particulars	31st March, 2023	31st March, 2022
1	Balance with Government Authorities	9.97	1.10
	Total	9.97	1.10

FINANCIAL STATEMENTS

Note 15 : Revenue from operations

(Rs. in Lakhs)

Sr. No.	Particulars	2022-23	2022-21
1	Sales of products (refer sub note 17.1)	146.06	-
2	Sale of services	-	-
3	Other operating revenues -	-	-
	Total	146.06	-

15.1: Sale of products

(Rs. in Lakhs)

Sr. No.	Particulars	2022-23	2022-21
1	Sales - finished goods	146.06	-
	Total	146.06	-

Note 16 : Other income

(Rs. in Lakhs)

Sr. No.	Particulars	2022-23	2022-21
1	Discount Income	-	0.04
	Total	-	0.04

Note 17 : Cost of material consumed

(Rs. in Lakhs)

Sr. No.	Particulars	2022-23	2022-21
1	Cost of materials consumed: (refer sub note 18.1)	220.45	1.31
	Total	220.45	1.31

17.1: Cost of materials consumed

(Rs. in Lakhs)

Sr. No.	Particulars	2022-23	2022-21
1	<u>Consumption of raw material</u>		
	Opening stock	7.82	7.82
2	Add :- purchase during the year	229.50	1.31
		237.32	9.13
3	Less :- Closing stock	16.87	7.82
		220.45	1.31
	Total	220.45	1.31

Note 18 : Change in inventories

(Rs. in Lakhs)

Sr. No.	Particulars	2022-23	2022-21
1	<u>Change in inventories of finished goods</u>		
	Opening stock	-	-
	Closing stock	66.68	-
	Sub total (a)	(66.68)	-
2	<u>Changes in inventories of work-in-progress</u>		
	Opening stock	-	-
	Closing stock	-	-
	Sub total (b)	-	-
	Total	(66.68)	-

FINANCIAL STATEMENTS

Note 19 : Employment benefit expenses

(Rs. in Lakhs)

Sr. No.	Particulars	2022-23	2022-21
1	Salaries and wages	20.04	15.76
2	Directors' remuneration	12.00	-
3	Contributions to provident and other funds	-	-
4	Staff welfare expenses	0.74	0.38
5	Gratuity	-	0.25
	Total	32.78	16.39

Note 20 : Financial cost

(Rs. in Lakhs)

Sr. No.	Particulars	2022-23	2022-21
1	Interest expense on borrowings	-	0.70
	Total	-	0.70

Note 21 : Depreciation

(Rs. in Lakhs)

Sr. No.	Particulars	2022-23	2022-21
1	Depreciation	7.36	7.55
	Total	7.36	7.55

Note 22 : Other expenses

(Rs. in Lakhs)

Sr. No.	Particulars	2022-23	2022-21
1	Office Expenses	3.74	25.76
2	Rent Including Lease rentals	5.63	1.42
3	Website maintenance charges	0.67	-
4	Brand Licensing Agreement	0.05	-
5	Travelling & Conveyance	15.31	-
6	Printing and stationery	0.66	-
7	Freight and forwarding	0.10	0.01
8	Commission, Incentives and discounts	0.96	-
9	Bank Charges	0.05	-
10	Brokerage	0.45	-
11	Courier Charges	0.48	-
12	Government Charges	8.08	-
13	Interest on Gst Payment	0.00	-
14	Food Expense	1.03	-
15	Designing Charges	0.83	-
16	Penalty - gst	0.95	-
17	Plate Charges	0.22	-
18	Product Launch	10.68	-
19	Transport Charges	9.37	-
20	Tm Application	0.51	-
21	Shipping Charges	0.10	-
22	Reimbursement Exp	0.01	0.65
23	Loss on destruction	-	1.98
24	Hotel Expenses	0.85	0.73
25	Evoting Charges	-	0.10
26	Email Hosting	-	0.36
27	Donation	-	0.00
28	Sales Marketing	0.56	2.18
29	Balance Written Off	-	2.73
30	Repairs & maintenance	-	0.84
31	Miscellaneous expenses	1.60	-
32	Listing Expense	0.27	-
33	Legal and Professional Fees	11.80	0.61
34	Auditors remuneration	3.50	3.25
	Total	78.43	40.62

FINANCIAL STATEMENTS

Valencia Nutrition Limited
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Notes Forming Part of Statement of Profit & Loss

22.1: Miscellaneous expenses

(Rs. in Lakhs)

Sr. No.	Particulars	2022-23	2022-21
1	Miscellaneous expenses	1.60	-
	Total	1.60	-

22.2: Legal and Professional Fees

(Rs. in Lakhs)

Sr. No.	Particulars	2022-23	2022-21
1	Legal and professional	0.61	0.24
2	Other legal charges	1.10	0.37
	Total	1.71	0.61

22.3: Auditors remuneration

(Rs. in Lakhs)

Sr. No.	Particulars	2022-23	2022-21
1	Payments to Internal Auditors	1.00	0.75
2	Payments to Statutory Auditors		
	- For Audit	2.50	2.50
	- For Taxation matters	-	-
	Total	3.50	3.25

Note 23 : Exceptional items - gain / (loss)

(Rs. in Lakhs)

Sr. No.	Particulars	2022-23	2022-21
1	Gain on sale of Land	-	0.36
	Total	-	0.36

Note 24 : Earning per share (in Rs.)

Sr. No.	Particulars	2022-23	2022-21
1	Net profit after tax (in Rs. In Lakhs)	(126.28)	(66.17)
2	Weighted average number of equity shares (Nos.)	55,85,341	55,85,341
	Earning per share (face value of Rs.10/-fully paid)	(2.26)	(1.18)

Note 25 Figures of previous years have been regrouped, rearranged and reclassified wherever necessary to conform the current period's classification.

Note 26 Contingent liabilities and commitments (to the extent not provided for)

- As at 31st March 2023, claims against company not acknowledged as debts in respect of Income tax matter pertaining to AY 2018-19 amounting to Rs.83.07 lakhs. The matter is pending before
- Commissioner of Income Tax Appeals and the Management expect that its position will not have material adverse effect on Company's Financial position and result of operations.

FINANCIAL STATEMENTS

Valencia Nutrition Limited

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Notes Forming Part of Statement of Profit & Loss

Note 27 : Disclosure as required by Para 20 of Accounting Standard-AS 18 "Related Parties" of the Companies (Accounting Standard) Rules, 2006:-
CIN : L51909MH2013PLC381314

Names of related parties and description of relationship :

Sr. No.	Name	Relation
1	Eshanya Biharielall Gupta	Director (KMP)
2	Manish Pravinchandra Turakhia	Promoter and Director (KMP)
3	Shankarran Prabhha	Director (KMP)
4	Stavan Pravin Ajmera	Director (KMP)
5	Jaimin Ajay Patwa	Director (KMP)
6	Jay Jatin Shah	Director (KMP)
7	Aditya Agarwal	Director (KMP)
8	Deepthi Anand	Promoter (KMP)
9	Veer Value Ventures LLP	Promoter (KMP)
10	Chauhan Ventures LLP	Promoter (KMP)
11	Jash Ventures	Promoter (KMP)
12	Arham Ventures	Promoter (KMP)
13	Vishva Vama Ventures	Promoter (KMP)
14	Simran Ventures	Promoter (KMP)
15	Sanghavi Ventures	Promoter (KMP)
16	H M Arvindkumar Ventures LLP	Promoter (KMP)
17	Ample Ventures	Promoter (KMP)
18	Ashit Alapi Ventures	Promoter (KMP)

Transactions with related parties

(Rs. in Lakhs)

Sr. No.	Particulars	Loans Payable		Reimbursement Expenses		Salary Expenses	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1	Manish Pravinchandra Turakhia	200.03	41.76	-	1.95	-	-
2	Shankarran Prabhha	-	-	0.07	0.07	2.45	2.11
3	Jay Jatin Shah	-	-	7.01	0.16	-	-
4	Deepthi Anand	-	-	1.13	2.96	-	14.59
	Total	200.03	41.76	8.21	5.13	2.45	16.70

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Transactions with related parties (Rs. in Lakhs)

Sr. No.	Particulars	Loans Payable		Reimbursement Expenses		Salary Expenses	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1	Manish Pravinchandra		41.76	-	1.95	-	-
2	TurakhiaShankarran		--	0.07	0.16	2.11	2.45
3	Prabhha		--	7.01		--	--
4	Jay Jatin Shah Deepthi Anand		--	1.13			14.59
	Total	200.03	41.76	8.21	5.13		16.70

Valencia Nutrition Limited
CIN: L51909MH2013PLC381314

Additional Regulatory Information

There are no Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under

(i) Companies Act, 2013,) either severally or jointly with any other person, that are either repayable on demand or without specifying any

(ii) Capital-Work-in Progress (CWIP) / Intangible assets under development (ITAUD) - NIL

(iii) During the year, the Company has not raised any borrowings from banks or financial institutions on the basis of security of current assets.

(iv) Ratios to be disclosed:-

- Current Ratio,
- Debt-Equity Ratio,
- Debt Service Coverage Ratio,
- Return on Equity Ratio,
- Inventory turnover ratio,
- Trade Receivables turnover ratio,
- Trade payables turnover ratio,
- Net capital turnover ratio,
- Net profit ratio,
- Return on Capital employed,
- Return on investment
- Other statutory information : As per Annexure 1

FINANCIAL STATEMENTS

Additional Regulatory Information

- (i) There are no Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are either repayable on demand or without specifying any
- (ii) Capital-Work-in Progress (CWIP) / Intangible assets under development (ITAUD) - NIL
- (iii) During the year, the Company has not raised any borrowings from banks or financial institutions on the basis of security of current assets.
- (iv) Ratios to be disclosed:-
- | | |
|---------------------------------------|-------------------|
| (a) Current Ratio, | |
| (b) Debt-Equity Ratio, | |
| (c) Debt Service Coverage Ratio, | |
| (d) Return on Equity Ratio, | |
| (e) Inventory turnover ratio, | |
| (f) Trade Receivables turnover ratio, | As per Annexure 1 |
| (g) Trade payables turnover ratio, | |
| (h) Net capital turnover ratio, | |
| (i) Net profit ratio, | |
| (j) Return on Capital employed, | |
| (k) Return on investment. | |
- (v) Other statutory information :
- a Title deeds of Immovable Property not held in name of the Company - NIL
- b The company has not revalued its Property, Plant and Equipment.
- c The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority
- d The Company has no relationship with struck off companies
- e The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- f The Company was not a part of any Scheme of Arrangements to be approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- h The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- i The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- j The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during j the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

FINANCIAL STATEMENTS

As per our report of even date
For Shah & Modi
Chartered Accountants
FRN : 112426W

For & On Behalf of the Board

SD/-

Mr. Jaydeep N. Modi
Partner
M.No.: 039255
Date:- 29/05/2023
Place:- Mumbai

SD/-

Manish Pravinchandra Turakhia
Director
DIN : 02265579
Date:- 29/05/2023
Place:- Mumbai

SD/-

Jay Jatin Shah
Whole time director and CFO
DIN : 09072405
Date:- 29/05/2023
Place:- Mumbai

SD/-

Aditya Agarwal(PAN- APGPA7704N)
Company secretary

Annexure 1 -Key financial ratios of Standalone Financial Statements

Ratio Analysis	Numerator	Rs in lakhs	Denominator	Rs in lakhs	31-Mar-23	31-Mar-22	% of Variations	Refer Note
1 Current Ratio	Current Assets	254.69	Current Liabilities exclu. Current Borrowings	126.91	2.01	1.72	16.50%	1
2 Debt Equity Ratio	Total Liabilities Short term Borrowings + Long term Borrowings	218.67	Shareholder's Equity (Beginning shareholders' equity + Ending shareholders' equity) ÷ 2	(3.47)	(62.93)	0.64	-9860.84%	2
3 Debt Service Coverage Ratio	Net Operating Income Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	(118.92)	Debt Service Interest + Scheduled Principal Repayments of Long Term Borrowings.	-	N.A	-1.48	N.A.	3
4 Return on Equity Ratio	Profit for the period Net Profit after taxes - preference dividend (if any)	(126.28)	Avg. Shareholders Equity (Beginning shareholders' equity + Ending shareholders' equity) ÷ 2	(3.47)	36.44	-0.71	-5208.16%	4
5 Inventory Turnover Ratio	Net Credit Sales Credit Sales	146.06	Average Inventory (Opening Stock + Closing Stock)/2	45.68	3.20	-	NA	5
6 Trade Receivables Turnover Ratio	Net Credit Sales Credit Sales	146.06	Average Trade Receivables (Beginning Trade Receivables + Ending Trade Receivables) / 2	17.50	8.34	-	NA	6
7 Trade Payables Turnover Ratio	Total Purchases Annual Net Credit Purchases	229.50	Average Trade Payables (Beginning Trade Payables + Ending Trade Payables) / 2	26.86	8.55	0.03	25326.23%	7
8 Net Capital Turnover Ratio	Net Sales Total Sales - Sales Return	146.06	Working Capital Current Assets - Current Liabilities exclu. Current Borrowings	127.78	1.14	-	NA	8
9 Net Profit Ratio	Net Profit Profit After Tax	(126.28)	Net Sales Sales	146.06	(0.85)	NA	NA	9
10 Return on Capital employed	EBIT Profit before Interest and Taxes	(126.28)	Capital Employed (Beginning Capital employed + Ending Capital Employed) ÷ 2 Capital Employed = Shareholders Equity + Long Term Debt + Short Term Debt	135.47	(0.93)	(0.50)	87.51%	10
11 Return on Investment	Return/Profit/Earnings	NIL	Investment	-	NIL	NIL	NIL	-

Notes :

- Current Ratio has improved since the resumption of production, the company has maintained stock during the financial year 2022-23
- Debt-Equity Ratio has deteriorated as the company has taken unsecured loans from related parties during the financial year 2022-23
- As there is no finance cost or repayment obligation in the current financial year 2022-23, Debt service coverage ratio is not applicable
- Due to re-structuring of business and relaunch of products, company has incurred losses in the current financial year 2022-23, resulting into variations in ratios as reported above
- Since, there were no revenue from operations in the previous financial year 2021-22 and the operations have resumed in the current financial year 2022-23, there has been such an increase in Inventory Turnover ratio.
- Since, there were no revenue from operations in the previous financial year 2021-22 and the operations have resumed in the current financial year 2022-23, there has been such an increase in Trade Receivables Turnover ratio.
- Due to re-structuring of business, the Company was not in operations and hence there are minimal purchases last year. Subsequently the amount of trade payables is increased in the current financial year 2022-23.
- As the company has commenced operations in the current year, the net capital turnover ratio has increased
- As the company has commenced operations in the current year and incurred losses, the net loss ratio has increased
- Due to re-structuring of business, company has incurred losses in the current financial year 2022-23, resulting into variations in negative ratios as reported above

STATEMENT OF ACCOUNTING RATIOS

	Un-audited Financial Statements	Based on Audited Financial Statements for the Financial Year Ended	
Particulars	For the six month period ended September 30, 2023	March 31, 2023	March 31, 2022
Net Worth (₹ millions)	(12.12)	(6.66)	5.96
Profit attributable to the owners of the equity (₹ millions)	(5.46)	(12.63)	(6.62)
Number of the shares outstanding at the end of the year	55,85,341	55,85,341	55,85,341
Basic earnings per share (₹)	(0.98)	(2.26)	(1.18)
Diluted earnings per share (₹)	(0.98)	(2.26)	(1.18)
Return on Net Worth (%)	(45.05)	(189.64)	(111.07)
Net Asset Value per Equity Share (₹)	(2.17)	(1.19)	1.07
EBITDA (₹ in millions)	(5.23)	(11.95)	(5.83)

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

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

CAPITALIZATION STATEMENT

Statement of Capitalization

Particulars Based on Audited Financial Statements		Pre-Issue as at March 31, 2023(₹in lakhs)	As adjusted for the issue (Post Issue)*
Borrowings:			
Current borrowings	A	-	[•]
Non-current borrowings	B	218.07	[•]
Total borrowings	C=A+B	218.07	[•]
Shareholder's fund (Net worth)			
Share Capital	C	558.53	[•]
Other Equity	D	(625.14)	[•]
Total shareholder's fund (Net worth)	E=C+D	(66.61)	[•]
Non-current borrowing's/shareholder's fund (Net worth) ratio	B/E	(3.27)	[•]
Total borrowings /shareholders' funds (Net worth) ratio	C/E	(3.27)	[•]

**Not determinable at this stage due to pending completion of the issue and hence the same have not been provided in the above statement.*

Notes:

1. Non-current borrowings are considered as borrowings other than short term borrowings and include current maturities of long term borrowings.
2. The amounts disclosed above are based on the audited financial statement for the year ended March 31, 2023 and estimated financial information provided by the Company management for the post issue period.

MATERIAL DEVELOPMENTS

Except as stated in this Draft Letter of Offer and as disclosed below, there have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.

For further details, please refer to the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 127 of this Draft Letter of Offer.

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

You should read the following discussion of our financial condition and results of operations together with our audited financial statements as of and for the Fiscal ended March 31, 2023, March 31, 2022 and Un-audited Financial statements for the period ended September 30, 2023 as per Limited Review Report included in this Draft Letter of Offer, all prepared in accordance with Indian Accounting Standards ("Ind AS"). Unless otherwise stated, the financial information used in this chapter is derived from the Audited Financial Statements of our Company.

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Valencia Nutrition Limited, our Company. Unless otherwise indicated, financial information included herein are based on our "Financial Statements" for the period ended on Financial Years 2023 and 2022 is included in this Draft letter of offer beginning on page 77 of this Draft Letter of Offer.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward Looking Statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

BUSINESS OVERVIEW

Our Company was incorporated as "Valencia Nutrition Private Limited" on April 01, 2013 under the Companies Act, 1956 with the Registrar of Companies, Karnataka bearing Registration No. 068380. Subsequently, the status of our Company was changed to public limited company and the name of our Company was changed to "Valencia Nutrition Limited" vide Special Resolution dated March 09, 2018. A fresh certificate of incorporation consequent to conversion into public limited company was issued to our Company by the Registrar of Companies, Bangalore on April 09, 2018. The registered office of the Company is situated at 601A, Neelkanth Business Park, Nathani Road, Vidyavihar (West), Mumbai- 400 086, Maharashtra, India.

For further details, please refer to the chapter titled 'Our Business' beginning on page 58 of this Draft Letter of Offer.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subject to various risks and uncertainties, including those discussed in the section titled "Risk Factors" on page 19 beginning of this Draft Letter of Offer.

Our Company's future results of operations could be affected potentially by the following factors:

1. Company's ability to successfully implement our strategy, our growth and expansion, technological changes;
2. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
3. Audience's taste and behaviour;
4. Inability to successfully obtain registrations in a timely manner or at all;
5. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
6. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
7. Changes in laws and regulations relating to the industries in which we operate;
8. Intensified competition in industries/sector in which we operate;
9. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;

10. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;

SIGNIFICANT ACCOUNTING POLICIES

Except as mentioned in section titled “*Financial Statements*” beginning on page 77 of this Draft Letter of Offer, there has been no change in accounting policies during the Fiscal years 2023 and 2022.

CHANGES IN ACCOUNTING POLICIES

Except as mentioned in section titled “*Financial Statements*” beginning on page 77 of this Draft Letter of Offer, there has been no change in accounting policies during the Fiscal years 2023 and 2022.

RESULTS OF OPERATIONS

The following table sets forth, for the limited reviewed unaudited financial results for the six month ended September 30, 2023 and September 30, 2022, expressed in absolute terms and as a percentage of our total income for the periods indicated.

(₹ in Lakhs)

Sr. No.	Particulars	Un-Audited Financial Results for half yearly ended September 30, 2023		Audited Financial Results for half yearly ended September 30, 2022	
		Amount	% of Total income	Amount	% of Total income
I	Revenue from operations	64.46	100	53.58	100
II	Other Income	-	-	-	-
III	Total Revenue (I + II)	64.46	100	53.58	100
IV	Expenses				
a	Purchase of stock in trade / consumables	56.24	87.25	65.64	122.51
b	Change in Inventory of Stock in Trade	21.35	33.12	(7.31)	(13.64)
c	Employee Benefits expense	18.97	29.43	9.05	16.89
d	Finance Costs	-	-	-	-
e	Depreciation and amortization expense	2.22	3.44	4.38	8.17
f	Other expenses	20.29	31.48	27.98	52.22
	Total Expenses	119.07	184.72	99.74	186.15
V	Profit before Exceptional Items & Tax (III – IV)	(54.61)	(84.72)	(46.16)	(71.61)
VI	Exceptional Items	-	-	-	-
VII	Profit after Exceptional items before tax (V-VI)	(54.61)	(84.72)	(46.16)	(71.61)
	Tax expenses				
a	Current tax	-	-	-	-
b	Tax adjustment of earlier years	-	-	-	-
c	Deferred tax	-	-	-	-
VIII	Total Tax Expenses				
IX	Profit /Loss for the period (VII-VIII)	(54.61)	(84.72)	(46.16)	(71.61)

Comparison of six months ended September 30, 2023 with six months ended September 30, 2022

Revenue from Operations

Our revenue from operations was ₹64.46 lakhs for six months ended September 30, 2023 as compared to ₹ 53.58 lakhs for the financial year ended September 30, 2022. This increase was mainly because of increase in sale of products.

Expenditure

Our total expenditure was ₹ 119.07 lakhs for the six months ended September 30, 2023 as compared to ₹ 99.74 lakhs for the six months ended September 30, 2022, representing increase of 19.38%. Bifurcated in varied expenses as explained below:

Cost of Material Consumed

Cost of material consumed/purchase of stock in trade for the six months ended September 30, 2023 was ₹ 56.24 lakhs as compared to ₹ 65.64 lakhs for the six months ended September 30, 2022, representing decrease of 14.32%. The Company utilized the procurement from the previous year which results in reduction of cost of material consumed in current year.

Change in Inventory of Stock in Trade

Change in inventory of Stock in Trade for the six months ended September 30, 2023 was ₹ 21.35 lakhs which was ₹ (7.31) lakhs for the six months ended September 30, 2022, representing increase of ₹ 28.66 lakh.

Employee Benefit Expenses

Employee Benefit expenses for the six months ended September 30, 2023 was ₹ 18.97 lakhs as compared to ₹ 9.05 lakhs for the six months ended September 30, 2022, representing an increase of 110%. This was primarily due to increase in manpower expenses.

Depreciation and Amortization expenses

Depreciation and Amortization expenses for the six months ended September 30, 2023 was ₹ 2.22 lakhs as compared to ₹ 4.38 lakhs for the six months ended September 30, 2022, representing decrease of 49.32%. This was mainly due to WDV method of Depreciation.

Other expenses

Other expenses for the six months ended September 30, 2023 was ₹ 20.29 lakhs as compared to ₹ 27.98 lakhs for the six months ended September 30, 2022, representing decrease of 27.48%. Due to the Capital Constraints, the Company reduces its expenses in order to run the operations more efficiently.

Profit before Tax

Profit before tax for the six months ended September 30, 2023 was ₹ (54.61) lakhs as compared to ₹ (46.16) lakhs for the six months ended September 30, 2022, representing increase in loss by 18.30%.

Profit after Tax

Profit after Tax for the six months ended September 30, 2023 was ₹ (54.61) lakhs as compared to ₹ (46.16) lakhs for the six months ended September 30, 2022, representing increase in loss by 18.30%.

The following table sets forth, for the periods indicated, certain items from our Standalone financial statements for the year ended March 2023 and March 2022, in each case also stated as a percentage of our total income:

(₹ in Lakhs)

Sr.No.	Particulars	For the Year ended March 31, 2023		For the Year ended March 31, 2022	
		Amount	% of Total income	Amount	% of Total income
I	Revenue from operations	146.06	100	-	-
II	Other Income	-	-	0.04	100
III	Total Revenue (I +II)	146.06	100	0.04	100
IV	Expenses				
a	Purchase of stock in trade / consumables	220.45	150.93	1.31	3275
b	Change in Inventory of Stock in Trade	(66.68)	(45.65)	-	-
c	Employee Benefits expense	32.78	22.44	16.39	40975
d	Finance Costs	-	-	0.70	1750
e	Depreciation and amortization expense	7.36	5.04	7.55	18875
f	Other expenses	78.43	53.70	40.62	101550
	Total Expenses	272.34	186.46	66.57	166425
V	Profit before Exceptional Items & Tax (III – IV)	(126.28)	(86.46)	(66.53)	(45.55)
VI	Exceptional Items	-	-	0.36	0.25
VII	Profit after Exceptional items before tax (V-VI)	(126.28)	(86.46)	(66.17)	(45.3)
	Tax expenses				
a	Current tax	-	-	-	-
b	Tax adjustment of earlier years	-	-	-	-
c	Deferred tax	-	-	-	-
VIII	Total Tax Expenses				
IX	Profit /Loss for the period (VII-VIII)	(126.28)	(86.46)	(66.17)	(165425)

Standalone basis comparison of Financial Year ended March 31, 2023 with Financial Year ended March 31, 2022

Total Revenue

Our total revenue, which comprised of revenue from operations and other income, for the financial year ended March 31, 2023 was ₹ 146.06lakhs as compared to ₹ 0.04lakhs for the financial year ended March 31, 2022.

Revenue from Operations

Our revenue from operations for the year ended March 31, 2023 was ₹ 146.06 lakhs. Further, our Company had not carried any business operations in FY 2022 which results in non-occurrence of any revenue for the Year ended March 31, 2022.

Other Income

We have not generated any non-operating income for the year ended March 31, 2023 as compared to ₹0.04 lakhs for the Year ended March 31, 2022.

Expenditure

Our total expenditure was ₹ 272.34 lakhs for the year ended March 31, 2023 as compared to ₹ 66.57lakhs for the Year ended March 31, 2022, representing increase of 309.10% due to occurrence of business operation.

Cost of Material Consumed

Cost of material consumed/purchase of stock in trade for the year ended March 31, 2023 was ₹ 220.45lakhs as compared to ₹ 1.31 lakhs for the Year ended March 31, 2022, representing an increase in ₹ 219.14 lakhs which is due to increase in volume of material purchase.

Change in Inventory of Stock in Trade

Change in inventory of Stock in Trade for the year ended March 31, 2023 was ₹ (66.68) lakhs which was nil for the Year ended March 31, 2022, representing change by ₹66.68 lakhs due to increase in closing stock of finished goods.

Employee Benefit Expenses

Employee Benefit expenses for the Year ended for the year ended March 31, 2023 was ₹ 32.78lakhs as compared to ₹ 16.39 lakhs for the Year ended March 31, 2022, representing an increase of 100%. This was primarily due to increase in manpower expenses.

Finance Costs

The total finance costs were reduced to nil in the Year ended March 31, 2023, from ₹ 0.70 lakhs for the Year ended March 31, 2022 representing decrease of 100%. This was primarily due to reduction in interest expense on borrowing.

Depreciation and Amortization expenses

Depreciation and amortization expenses for the year ended March 31, 2023 was ₹ 7.36lakhs as compared to ₹ 7.55 lakhs for the Year ended March 31, 2022, representing decrease of 2.51%. The decrease in Depreciation & Amortization expense was primarily due to no additional Capex incurred during the period.

Other expenses

Other expenses for the year ended March 31, 2023 was ₹ 78.43lakhs as compared to ₹ 40.62lakhs for the Year ended March 31, 2022, representing an increase of 93.08%. This increase was primarily due to increase in the revenue and its increase in variable Growth.

Profit before Tax

Profit before tax for year ended March 31, 2023 was ₹ (126.28)lakhs as compared to ₹ (66.17)lakhs for the Year ended March 31, 2022, representing increase in loss of 90.84% which is due to aforementioned reason

Profit after Tax

Profit after tax for year ended March 31, 2023 was ₹ (126.28)lakhs as compared to ₹ (66.17) lakhs for the Year ended March 31, 2022, representing increase in loss of 90.84%.

SECTION VIII – OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There is no outstanding litigation which has been considered material in accordance with our Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Draft Letter of Offer. However, solely for the purpose of the Issue, the following outstanding litigations have been disclosed in this section of this Draft Letter of Offer to the extent applicable: any outstanding civil litigation, including tax litigation, involving our Company, where the amount involved is where the amount involved is in excess of ₹ 10,00,000 (Ten Lakhs only) or 5% of Net Profits after Tax of the Company, whichever is lower for the immediately preceding financial year ("**Materiality Threshold**") or above.*

Except as disclosed below, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

Pre – litigation notices received by our Company from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) has not been evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.

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

A. As on the date of DLoF there are no pending matters which could result in an adverse outcome, would materially and adversely affect the operations or the financial position of the issuer.

B. Matters which are pending:

LITIGATION INVOLVING OUR COMPANY

There are no issues of moral turpitude or criminal liability, material violation of statutory regulations or economic offences or material pending matters involving our Company except as follows:

1. LITIGATIONS AGAINST OUR COMPANY

Criminal Proceeding involving moral turpitude or criminal liability against our Company

Nil

Proceedings involving material violations of Statutory/Regulatory Authority by our Company

Nil

Economic offences where proceedings have been initiated against our Company

Nil

Other Proceeding against our Company including matters which are considered material as per Materiality Policy

Nil

Tax Proceedings

Direct Tax

Below are the details of the pending tax cases involving our Company, specifying the number of cases pending and the total amount involved:

Assessment Year	Section Code	Demand Reference Number	Date of Order	Outstanding Demand (in ₹)
2018-19	143(3)	ITBA/AST/S/143(3)/2020-21/1030892605(1)	February 23, 2021	83,07,143

Response to the order is filed on March 04, 2021 and the matter is pending with Commissioner of Income Tax Appeal.

Indirect Tax

Nil

Particulars	Number of cases	Amount involved (₹ in lakhs)
Indirect Tax		
GST	Nil	Nil
Central Excise	Nil	Nil
Customs	Nil	Nil
Service Tax	Nil	Nil
Total	Nil	Nil
Direct Tax		
Appeal filed against the order passed against our Company	1	83.07
Cases filed by our Company	Nil	Nil
Total	1	83.07

2. LITIGATIONS BY OUR COMPANY

Criminal proceedings

Nil

Civil and other material litigations

Nil

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

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

GOVERNMENT AND OTHER APPROVALS

Our Company requires various licenses, registrations, permits and approvals issued by relevant central and state authorities under various rules and regulations (“Approvals”) for carrying on its present business activities. The requirement for the Approvals may vary based on factors such as the legal requirements in the jurisdiction, in which the Projects are located. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled “Objects of the Issue” at page 44 of this Draft Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The issue has been authorised by a resolution of our Board of Directors passed at their meeting held on December 12, 2023, pursuant to clause (a) of Sub-Section (1) of Section 62 and other provisions of the Companies Act.

The Board of Directors, at its meeting held on [●], determined the Issue Price as ₹ [●]/-per Rights Equity Share and the Rights Entitlement as [●] ([●]) Rights Equity Share(s) for every [●] ([●]) Equity Share(s) held on the Record Date, i.e., [●].

This Draft Letter of Offer has been approved by our Board of Directors, at meeting held on December 30, 2023.

Our Company has received 'in-principle' approval for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, vide letter bearing reference number [●] dated [●] issued by BSE Limited. Our Company will also make applications to BSE to obtain their trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. For details, see "*Terms of the Issue*" on page 141 of this Draft Letter of Offer.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, members of our Promoter Group, our directors have not been prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority as on the date of this Draft Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Association of our Directors with the securities markets

None of our Directors are associated with the securities market in any manner.

There are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Letter of Offer.

Prohibition by RBI

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

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Eligibility of the Issue

1. Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on Start-up Platform of the BSE Limited. Our Company is eligible to offer and issue Right Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI (ICDR) Regulations;
2. Our Company is undertaking this Right Issue in compliance with Part B of Schedule VI of the SEBI (ICDR) Regulations. Our Company undertakes to make an application to BSE Limited for listing of the Right Shares to be issued pursuant to this Issue.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI (ICDR) Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement or the SEBI (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Draft Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above in clause (1) are available on the website of BSE Limited;
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board our directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI (ICDR) Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.

Disclaimer Clause of SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is less than ₹ 5,000 lakhs. The present Issue being of less than ₹5,000 lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI ICDR Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI ICDR Regulations with SEBI for information and dissemination on the website of SEBI i.e. www.sebi.gov.in.

Disclaimer clauses from our Company

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

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

Cautions

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

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only

Designated Stock Exchange

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

Listing

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to the BSE Limited. The Disclaimer Clause as shall be intimated by the BSE Limited to us, post-scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with BSE Limited.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter ("**Issue Materials**") and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come are required to inform them about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Issue Materials only to Eligible Equity Shareholders who have provided an Indian address to our Company/Registrar.

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

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in

such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares and/ or the Rights Entitlements is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Rights Equity Shares and/ or the Rights Entitlements under applicable securities laws, and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares and/ or Rights Entitlements in respect of any such Application Form.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

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

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Consents in writing of our Directors, Legal Advisor, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank* to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

**Will be obtained at the time of filing of the Letter of Offer*

Our Company has received written consent dated December 19, 2023 from our Statutory Auditor, namely, **M/s. Shah & Modi,** Chartered Accountants for inclusion of (i) Audited Financial for the Financial Year ended March 31, 2023, March 31, 2022 and Un-audited Financial Statements for the period ended September 30, 2023 as per limited reviewed dated November 10, 2023 in this Draft Letter of Offer, and (ii) their name in this Draft Letter of Offer and as an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 in relation to their report on the Statement of Special Tax Benefits dated December 19, 2023 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

Our Company has received written consent dated December 19, 2023 from our Statutory Auditor to include their name as required in this Draft Letter of Offer and as an ‘expert’ as defined under Section 2(38) of the Companies Act, 2013 on the Financial Information and the Statement of Tax Benefits dated December 19, 2023 and such consent has not been withdrawn as of the date of this Draft Letter of Offer. The term ‘expert’ and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, provided by our Auditors, our Company has not obtained any expert opinions.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company listed its Equity Shares on January 06, 2020 through Initial Public Offer on Start-up Platform of BSE Limited under SEBI (ICDR) Regulations, 2018. Except as stated above, our Company has not made any rights issues during the five years immediately preceding the date of this Draft Letter of Offer. Further, there have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Stock Market Data of Equity Shares

Filing

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

Mechanism for Redressal of Investor Grievances

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number 'CIR/OIAE/2/2011 dated June 3, 2011'. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Our Company Secretary and Compliance Officer is responsible for the handling of investor grievances. As on the date of this DLOF we have not received any investor grievances.

1. Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue at:

Bigshare Service Private Limited

Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali caves Road,
Andheri (East) Mumbai – 400093

Tel No.: +91-022-62638200

Email: rightsissue@bigshareonline.com

Website: www.bigshareonline.com

Investor Grievance Email: investor@bigshareonline.com

Contact Person: Mr. Suraj Gupta

SEBI Registration No.: INR000001385

Validity of Registration: Permanent

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue/post- Issue related matter such as non-receipt of letter of Allotment, credit of Rights Equity Shares, refund and such other matters. The contact details of the Compliance Officer are as follows:

Company Secretary & Compliance Officer

Nishi Jain

601A, Neelkanth Business Park, Nathani Road,
Vidyavihar (West), Mumbai- 400 086,
Maharashtra, India

Telephone: +91 22 2509 4351/2

Fax No: NA

Email: compliance@valencianutrition.com

SECTION IX – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI (ICDR) Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA.

Investors are requested to note that application in this Issue can only be made through ASBA.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI-Rights issue Circular”), all investors (including renounce) shall make an application for a rights issue only through ASBA facility.

OVERVIEW

This Issue and the Right Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the BSE Limited and the terms and conditions as stipulated in the Allotment advice.

IMPORTANT

1. Dispatch and availability of Issue materials

In accordance with the SEBI ICDR Regulations, ASBA Circular, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material (“**Issue Materials**”) only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them.

Investors can access the Letter of Offer, the Abridged Letter of Offer, and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) on the websites of:

- a. Our Company’s website at www.valencianutrition.com
- b. Registrar to the Issue’s website at www.bigshareonline.com
- c. BSE Limited’s website at www.bseindia.com
- d. Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue’s website at www.bigshareonline.com by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on the website of our Company at www.valencianutrition.com

Further, our Company will undertake all adequate steps to reach out the Eligible Shareholders who have provided their Indian address through other means, as may be feasible. **Please note that, our Company, and the Registrar to**

the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with the Stock Exchange. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or redistributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Common Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or its respective affiliates to make any filing or registration (other than in India).

2. Facilities for Application in this Issue

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI - Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please refer to the Paragraph titled '*Procedure for Application through the ASBA Process*' on page 153 of this Draft Letter of Offer.

a. ASBA facility

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, Paragraph titled '*Procedure for Application through the ASBA Process*' on page 153 of this Draft Letter of Offer.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see *“Application on Plain Paper under ASBA process”*.

b. Credit of Rights Entitlements in demat accounts of Eligible Shareholders

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI - Rights Issue Circular, the credit of Rights Entitlements and Allotment of Right Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- a. The demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialised form;
- b. A demat suspense escrow account (namely, '[●]') opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:
 - i. Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
 - ii. Equity Shares held in the account of IEPF authority; or
 - iii. The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
 - iv. Credit of the Rights Entitlements returned/ reversed/ failed; or
 - v. The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.
 - vi. Eligible Equity Shareholders who have not provided their Indian addresses.
 - vii. Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar

Eligible Shareholders as on Record Date are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar to the Issue not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible Shareholders are also requested to ensure that their demat

account is active, details of which have been provided to the Company or the Registrar to the Issue, to facilitate the aforementioned transfer.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar i.e. www.bigshareonline.com; by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company www.valencianutrition.com

OTHER IMPORTANT LINKS AND HELPLINE

The Investors can visit following links for the below-mentioned purposes:

1. Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.bigshareonline.com;
2. Updating of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar to the Issue or our Company: [●];
3. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form;
4. Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders: www.bigshareonline.com;

RENOUNCEES

All rights and obligations of the Eligible Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

AUTHORITY FOR THE ISSUE

The Board of Directors in its meeting dated December 12, 2023 has authorised this Issue under Section 62(1)(a) of the Companies Act, 2013.

The Board of Directors in their meeting held on [●] have determined the Issue Price at ₹ [●] per Equity Share and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date.

The Company has been allotted ISIN – [●] for the Rights Entitlement to be credited to the respective demat account of Equity Shareholders of the Company.

Our Company has received in-principal approval from BSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letter dated [●].

BASIS FOR THIS ISSUE

The Right Shares are being offered for subscription for cash to the Eligible Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members at the close of business hours on the Record Date i.e. [●]

RIGHTS ENTITLEMENTS

Eligible Shareholders whose names appear as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form may be entitled to subscribe to the number of Right Shares as set out in the Rights Entitlement Letter.

Eligible Shareholders can also obtain the details of their respective Rights Entitlements from the Registrar to the Issue's website at www.bigshareonline.com; by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on our Company's website at www.valencianutrition.com

Rights Entitlements shall be credited to the respective demat accounts of Eligible Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., www.bigshareonline.com). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send/ dispatch the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. For further details, see "Notice to Investors" on page 11 of this Draft Letter of Offer

PRINCIPAL TERMS OF THIS ISSUE

1. Face Value

Each Right Shares will be having face value of ₹10.00 (Rupees Ten Only).

2. Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●] (Rupees [●] only) per Rights Equity Share (including a premium of ₹ [●] (Rupees [●] only) per Rights Equity Share) in this Issue.

3. Rights Entitlements Ratio

The Right Shares are being offered on a rights basis to the Eligible Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held by the Eligible Shareholders as on the Record Date, i.e. [●].

4. Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. For details, see 'Procedure for Renunciation of Rights Entitlements' on page 154 of this Draft Letter of Offer.

In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

5. Terms of Payment

The entire amount of the Issue Price of [●] shall be payable at the time of Application.

6. Process of Credit of Rights Entitlements in dematerialized account

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Issue Circulars, the credit of Rights Entitlements and Allotment of Right Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- a) The demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialized form; and
- b) A demat suspense escrow account (namely, '[●]') opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:
 - i. Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
 - ii. Equity Shares held in the account of IEPF authority; or
 - iii. The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
 - iv. Credit of the Rights Entitlements returned/ reversed/ failed; or
 - v. The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable
 - vi. Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) till the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period. It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the

corporate action. The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE., [●] AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE “PROCEDURE FOR APPLICATION” ON PAGE 151 OF THIS DRAFT LETTER OF OFFER.

7. Fractional Entitlements

The Right Shares are being offered on a rights basis to existing Eligible Shareholders in the ratio of [●] Right Shares for every [●] Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Shareholders is less than [●] Equity Shares or is not in the multiple of [●] Equity Shares, the fractional entitlements of such Eligible Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Shareholders whose fractional entitlements are being ignored will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Right Shares over and above their Rights Entitlements, if any, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Equity Shareholder will be entitled to [●] Rights Equity Share(s) and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Right Shares, over and above his/her Rights Entitlements, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Shareholders holding less than [●] Equity Shares shall have ‘zero’ entitlement for the Right Shares. Such Eligible Shareholders are entitled to apply for additional Right Shares and will be given preference in the Allotment of one Right Shares, if such Eligible Shareholders apply for additional Right Shares, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

8. Credit Rating

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

9. Ranking of Equity Shares

The Right Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice.

The Right Shares being issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Right Shares shall rank pari-passu, in all respects including dividend, with our existing Equity Shares.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

10. Trading of the Rights Entitlements

In accordance with the ASBA Circulars and SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the BSE Limited under ISIN [●]. Prior to the Issue Opening Date, our Company will obtain the approval from the BSE Limited for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. For details, see 'Procedure for Renunciation of Rights Entitlements – On Market Renunciation' and 'Procedure for Renunciation of Rights Entitlements – Off Market Renunciation' on page 154 of this Draft Letter of Offer.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

11. Listing and trading of the Right Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Right Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI (ICDR) Regulations, the Right Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Right Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principal approval from the BSE through letter bearing reference number [●] dated [●]. Our Company will apply to the BSE Limited for final approvals for the listing and trading of the Right Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Right Shares or the price at which the Right Shares offered under this Issue will trade after the listing thereof.

The Right Shares shall be listed and admitted for trading on the BSE Limited under separate ISINs for Right Shares. The procedures for listing and trading of Right Shares shall be completed within 7 (Seven) Working Days from the date of finalization of the Basis of Allotment.

The existing Equity Shares are listed and traded on BSE Limited bearing Scrip Code '542910' under ISIN 'INE08RT01016'. The Rights Equity shall be credited to temporary ISINs which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Right Shares shall be debited from such temporary ISINs and credited to the existing ISIN as fully paid-up Equity share of our company.

The listing and trading of the Right Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. In case our Company fails to obtain listing or trading permission from the BSE Limited, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the BSE Limited, rejecting the application for listing of the Right Shares, and if any such money is not refunded/ unblocked within 4(Four) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer -in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

12. Subscription to this Issue by our Promoter and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see the paragraph titled '*Intention and extent of participation by our Promoter and Promoter Group*' under the section titled '*Capital Structure*' on page 421 of this Draft Letter of Offer.

13. Rights of holders of Right Shares of our Company

Subject to applicable laws, holders of the Right Shares shall have the following rights:

- a. The Right Shares shall rank *pari-passu* with the existing Equity Shares in all respects;
- b. The right to receive dividend if declared;
- c. The right to vote in person, or by proxy, except in case of Right Shares credited to the demat suspense account for resident Eligible Shareholders;
- d. The right to receive surplus on liquidation;
- e. The right to free transferability of Right Shares;
- f. The right to attend general meetings of our Company and exercise voting powers in accordance with law; and
- g. Such other rights as may be available to a shareholder of a listed public Company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Right Shares shall be entitled to the above rights in proportion to amount paid-up on such Right Shares in this Issue.

GENERAL TERMS OF THE ISSUE

1. Market Lot

The Right Shares of our Company shall be tradable only in dematerialized form. The market lot for the Right Shares in dematerialized mode is [●] Equity Share.

2. Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Right Shares offered in this Issue.

3. Nomination

Nomination facility is available in respect of the Right Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Right Shares to be allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participant.

4. Arrangements for Disposal of Odd Lots

The Right Shares are traded in dematerialized form only and therefore the marketable lot is [●] Equity Share and hence no arrangements for disposal of odd lots are required.

5. Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI (LODR) Regulations, with effect from April 1, 2019 except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

6. Notices

In accordance with the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send the Issue Materials only to the Eligible Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

The Letter of Offer will be provided by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their email address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Mumbai where our Registered Office is situated).

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their website.

OFFER TO NON-RESIDENT ELIGIBLE SHAREHOLDERS/INVESTORS

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on rightsissue@bigshareonline.com, physically/postal means at the address of the Registrar mentioned on the cover page of the Letter of Offer. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Common Application Form shall be sent/dispatched to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in

jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchange. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to their partition as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, i.e. [●] see “-Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” on page 158 of this Draft Letter of Offer.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Right Shares offered as part of this Issue would be sent to the Eligible Shareholders only to

- i. E-mail addresses of resident Eligible Shareholders who have provided their e-mail addresses;
- ii. Indian addresses of the resident Eligible Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Shareholders have not provided the valid email address to our Company;
- iii. Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and
- iv. E-mail addresses of foreign corporate or institutional shareholders.

The Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent/ dispatched at least three days before the Issue Opening Date. The Renouncees and Eligible Equity Shareholders who have not received the Common Application Form can download the same from the website of the Registrar, our Company or Stock Exchange. In case of non-resident Eligible Equity Shareholders, the Common Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email-to-email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions.

In case of non-resident Eligible Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through e-mail address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Shareholders should visit www.bigshareonline.com; Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) from the websites of:

- a. Our Company at www.valencianutrition.com
- b. The Registrar at www.bigshareonline.com;
- c. The Stock Exchange at www.bseindia.com

The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.bigshareonline.com; by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on the website of our Company at www.valencianutrition.com.

The Application Form can be used by the Eligible Shareholders as well as the Renouncees, to make Applications in this Issue on the basis of the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Shareholders applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Right Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Right Shares by:

- i. Submitting the Application Form to the Designated Branch of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in the irrespective ASBA Accounts
- ii. **Please note that Applications made with payment using third party bank accounts are liable to be rejected.**

Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

- a) The ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB;

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application

through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see ‘Grounds for Technical Rejection’ on page 161 of this Draft Letter of Offer. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see ‘*Application on Plain Paper under ASBA process*’ on page 155 of this Draft Letter of Offer.

OPTIONS AVAILABLE TO THE ELIGIBLE SHAREHOLDERS

The Rights Entitlement Letter will clearly indicate the number of Right Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

1. Apply for its Right Shares to the full extent of its Rights Entitlements; or
2. Apply for its Right Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
3. Apply for Right Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
4. Apply for its Right Shares to the full extent of its Rights Entitlements and apply for additional Right Shares; or
5. Renounce its Rights Entitlements in full.

PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number ‘CIR/CFD/DIL/13/2012’ dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

ACCEPTANCE OF THIS ISSUE

Investors may accept this Issue and apply for the Right Shares:

Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts,

Please note that on the Issue Closing Date:

1. Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section '*Application on Plain Paper under ASBA processes*' on page 155 of this Draft Letter of Offer.

ADDITIONAL RIGHT SHARES

Investors are eligible to apply for additional Right Shares over and above their Rights Entitlements, provided that they are eligible to apply for Right Shares under applicable law and they have applied for all the Right Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Right Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Right Shares shall be considered and Allotment shall be made in accordance with the SEBI (ICDR) Regulations and in the manner prescribed under the section '*Basis of Allotment*' on page 166 of this Draft Letter of Offer.

Eligible Shareholders who renounce their Rights Entitlements cannot apply for additional Right Shares.

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares

Resident Eligible Shareholders whose dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Right Shares while submitting the Application through ASBA process.

PROCEDURE FOR RENUNCIATION OF RIGHTS ENTITLEMENTS

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off -market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES, AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS.

1. On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Shareholders shall be admitted for trading on the Stock Exchanges under the ISIN that shall be allotted for the Rights Entitlement subject to requisite

approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] (for Rights Entitlement) that shall be allotted for the Rights Entitlement and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2' rolling settlement bases, where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

2. Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only.

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

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN (for Rights Entitlement) that shall be allotted for the Rights Entitlement, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

APPLICATION ON PLAIN PAPER UNDER ASBA PROCESS

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any address outside India. Please note that the Eligible Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- a) Name of our Company, being **‘Valencia Nutrition Limited’**;
- b) Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- c) Registered Folio No./DP and Client ID No.;
- d) Number of Equity Shares held as on Record Date;
- e) Allotment option – only dematerialized form;
- f) Number of Right Shares entitled to;
- g) Total number of Right Shares applied for;
- h) Number of additional Right Shares applied for, if any;
- i) Total number of Right Shares applied for;
- j) Total amount paid at the rate of ₹ [●]/- for Right Shares issued in one Rights Entitlement;
- k) Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- l) In case of non-resident Eligible Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules.
- m) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Right Shares applied for pursuant to this Issue;
- n) Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- o) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- p) In addition, all such Eligible Shareholders are deemed to have accepted the following:

*“I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (**the “US Securities Act”**) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (**the “United States”**) except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction. I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or*

regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

*I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act (hereinafter referred to as '**Regulation S**'), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.*

I/ We acknowledge that we, the Companyits affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.bigshareonline.com.

I/ We acknowledge that Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

MODE OF PAYMENT

All payments against the Application Forms shall be made only through

3. ASBA facility;

The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account, details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the

amount payable on Application mentioned in the Application Form. After the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

APPLICATION BY ELIGIBLE SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar of our Company, Eligible Equity Shareholders should visit www.bigshareonline.com.

PROCEDURE FOR APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, i.e. [●] and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- b. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c. The Eligible Equity Shareholders can access the Common Application Form from:
 - Our Company (www.valencianutrition.com)
 - Registrar to the Issue (www.bigshareonline.com);
 - the Stock Exchange at www.bseindia.com

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar www.bigshareonline.com; by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (www.valencianutrition.com)

- d. The Eligible Equity Shareholders shall, on or before the Issue Closing Date, submit the Common Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE, i.e. [●] AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR

COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

ALLOTMENT OF THE RIGHT SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE.

GENERAL INSTRUCTIONS FOR INVESTORS

- I. Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process;
- II. Please read the instructions on the Application Form sent to you;
- III. The Application Form can be used by both the Eligible Shareholders and the Renouncees;
- IV. Application should be made only through the ASBA facility;
- V. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English;
- VI. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section '*Application on Plain Paper under ASBA processes*' on page 155 of this Draft Letter of Offer;
- VII. In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
- VIII. An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- IX. Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, please note that the applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange,
- X. Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar;
- XI. In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form;
- XII. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected.** With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Right Shares pursuant to this Issue shall be made into the accounts of such Investors;
- XIII. In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon;
- XIV. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a

- Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB;
- XV. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant;
- XVI. All communication in connection with Application for the Right Shares, including any change in address of the Eligible Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable; In case of any change in address of the Eligible Shareholders, the Eligible Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar;
- XVII. Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number 'CIR/CFD/DIL/13/2012 dated September 25, 2012' within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility;
- XVIII. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications;
- XIX. Investors are required to ensure that the number of Right Shares applied for by them do not exceed the prescribed limits under the applicable law;
- XX. An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue;

Do's:

1. Ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number;
2. Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act;
3. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects;
4. Investors should provide correct DP-ID and client-ID/ folio number while submitting the Application. Such DP-ID and Client-ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

1. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction;
2. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
3. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application;
4. Do not pay the Application Money in cash, by money order, pay order or postal order;
5. Do not submit multiple Applications.

Dos for Investors applying through ASBA:

1. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Right Shares will be Allotted in the dematerialized form only;
2. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application;
3. Ensure that there are sufficient funds (equal to {number of Right Shares (including additional Right Shares) applied for} X {Application Money of Right Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB;
4. Ensure that you have authorized the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same;
5. Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location;
6. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form on a plain paper Application;
7. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter;

Don'ts for Investors applying through ASBA:

1. Do not apply if you are not eligible to participate in this Issue under the securities laws applicable to your jurisdiction;
2. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa;
3. Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only;
4. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process;

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

1. DP-ID and Client-ID mentioned in Application not matching with the DP-ID and Client ID records available with the Registrar;
2. Sending an Application to Registrar to the Issue and Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company;
3. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money;
4. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders;
5. Account holder not signing the Application or declaration mentioned therein;
6. Submission of more than one Application Forms for Rights Entitlements available in a particular demat account;

7. Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application;
8. Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts);
9. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories;
10. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB;
11. Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer;
12. Physical Application Forms not duly signed by the sole or joint Investors;
13. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, and money order, postal order or outstation demand drafts;
14. If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements;
15. Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or other jurisdictions where the offer and sale of the Right Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Equity Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Right Shares in respect of any such Application Form;
16. Applications which have evidence of being executed or made in contravention of applicable securities laws;
17. Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar;
18. Applications by a non-resident without the approval from RBI with respect to Rule 7 of the FEMA Rules;

DEPOSITORY ACCOUNT AND BANK DETAILS FOR INVESTORS HOLDING SHARES IN DEMAT ACCOUNTS AND APPLYING IN THIS ISSUE

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS TO RECEIVE THEIR RIGHT SHARES DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP-ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION

FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Right Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

MODES OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility. **In case of Application through ASBA facility, the Investor agrees to block the amount payable on Application with the submission of the Common Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.**

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Common Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Common Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the Common Application Form.

The SCSB may reject the application at the time of acceptance of Common Application Form if the ASBA Account, details of which have been provided by the Investor in the Common Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Common Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility.

Mode of payment for non-resident Investors

As regards the Application by non-resident Investors, payment must be made only through the ASBA facility and using permissible accounts in accordance with the FEMA, FEMA Rules and requirements prescribed by the RBI and subject to the following conditions:

- i. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Common Application Forms on the websites of the Registrar, and our Company.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Common Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions (other than the United States and India) where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering such jurisdiction. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard.

- ii. Common Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- iii. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes

- (i) In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Right Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act;
- (ii) In case Right Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Right Shares cannot be remitted outside India;
- (iii) In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals;
- (iv) Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Right Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment;

(v) In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account;

(vi) Non-resident Renouncees who are not Eligible Shareholders must submit regulatory approval for applying for additional Right Shares;

MULTIPLE APPLICATIONS

In case where multiple Applications are made in respect the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Right Shares with/without using additional Rights Entitlements will not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see '*Procedure for Applications by Mutual Funds*' below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected.

LAST DATE FOR APPLICATION

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●]day, [●], 2023, i.e., Issue Closing Date. The Board of Directors may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as may be extended by the Board of Directors, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and the Board of Directors shall be at liberty to dispose of the Right Shares hereby offered, as provided under the section, '*Basis of Allotment*' on page 166 of this Draft Letter of Offer.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

WITHDRAWAL OF APPLICATION

An Investor who has applied in this Issue may withdraw their application at any time during Issue Period by approaching the SCSB where application is submitted facility. However, no Investor, whether applying through ASBA facility may withdraw their application post the Issue Closing Date.

ISSUE SCHEDULE

Last date for Credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation*	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of Credit (on or about)	[●]

Date of Listing (on or about)	[●]
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** Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

Our Board of Directors may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date).

BASIS OF ALLOTMENT

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Right Shares in the following order of priority:

1. Full Allotment to those Eligible Shareholders who have applied for their Rights Entitlements of Right Shares either in full or in part and also to the Renouncee(s) who has or have applied for Right Shares renounced in their favour, in full or in part.
2. Eligible Shareholders whose fractional entitlements are being ignored and Eligible Shareholders with zero entitlement would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Right Shares. Allotment under this head shall be considered if there are any unsubscribed Right Shares after allotment under (a) above. If number of Right Shares required for Allotment under this head are more than the number of Right Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
3. Allotment to the Eligible Shareholders who having applied for all the Right Shares offered to them as part of this Issue, have also applied for additional Right Shares. The Allotment of such additional Right Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Right Shares after making full Allotment in (1) and (2) above. The Allotment of such Right Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
4. Allotment to Renouncees who having applied for all the Right Shares renounced in their favour, have applied for additional Right Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Right Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
5. Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Right Shares in this Issue, along with:

- a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
- b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- c) The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations (or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of on or before 15 day (T: Basis of allotment day). In case of failure to do so, our Company shall pay interest at 15% p.a. or such other rate as specified under applicable law from the expiry of such 15 days' period

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI (ICDR) Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes

1. Unblocking amounts blocked using ASBA facility.
2. National Automated Clearing House (hereinafter referred to as '**NACH**') – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
3. National Electronic Fund Transfer (hereinafter referred to as '**NEFT**') – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (hereinafter referred to as '**IFSC Code**'), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

4. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
5. RTGS – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
6. For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
7. Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SHARES

The demat credit of Shares to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

RECEIPT OF THE RIGHT SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS WHERE THE CREDIT OF THE RIGHTS EQUITY SHARES RETURNED/REVERSED/FAILED.

Investors shall be allotted the Right Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE RIGHT SHARES CAN BE TRADED ON THE BSE LIMITED ONLY IN DEMATERIALIZED FORM

The procedure for availing the facility for Allotment of Right Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Right Shares and the Application Form will be rejected.
5. The Right Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Shareholders with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Right Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Right Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

PROCEDURE FOR APPLICATION BY CERTAIN CATEGORIES OF INVESTORS

1. Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post -Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against Shares held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

2. Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

3. Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian Company on repatriation basis, on a recognized stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid - up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian Company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issuance of the Right Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

4. Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

5. Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net-worth certificate from its statutory auditors or

any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

IMPERSONATION

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its Shares; or makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its Shares; or otherwise induces directly or indirectly a Company to allot, or register any transfer of, Shares to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

In case the fraud involves (i) an amount which is less than ₹10 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakhs or with both.

PAYMENT BY STOCKINVEST

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Rights Issue.

DISPOSAL OF APPLICATION AND APPLICATION MONEY

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board of Directors of the Company reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- a) All monies received out of this Issue shall be transferred to a separate bank account.
- b) Details of all monies utilized out of this Issue referred to under (a) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and.

- c) Details of all unutilized monies out of this Issue referred to under (a) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of the issue shall be attended to by our Company expeditiously and satisfactorily;
2. All steps for completion of the necessary formalities for listing and commencement of trading at BSE Limited, where the Right Shares are to be listed are taken within the time limit specified by the SEBI;
3. The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company;
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 (Fifteen) days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. Where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants;
6. Adequate arrangements shall be made to collect all ASBA applications

Minimum Subscription

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

1. Objects of the issue being other than capital expenditure for a project; and
2. Our Promoter and Promoter Group have confirmed that they will subscribe to their right entitlement and will not renounce rights except to the extent of renunciation within the promoter group

Filing of Draft Letter of Offer/Letter of Offer

The Draft Letter of Offer shall not be filed with SEBI, nor will SEBI issue any observation on the Draft Letter of Offer as the size of issue is less than ₹50 Crores.

The Draft Letter of Offer has been filed with BSE (the Designated Stock Exchange having nationwide terminal) for obtaining in-principal approval.

However, a copy of the Letter of Offer shall be filed with the SEBI for the purpose of their information and dissemination.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same

newspapers where the pre-Issue advertisement has appeared and the Stock Exchange will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

IMPORTANT

1. Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed '**VALENCIA NUTRITION LIMITED – RIGHT ISSUE**' on the envelope and postmarked in India or in the email) to the Registrar at the following address:

BIGSHARE SERVICES PRIVATE LIMITED

Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali caves Road,
Andheri (East) Mumbai – 400093

Tel No.: +91-022-62638200

Email:rightsissue@bigshareonline.com

Website: www.bigshareonline.com

Investor Grievance Email:investor@bigshareonline.com

Contact Person: Mr. Suraj Gupta

SEBI Registration No.: INR000001385

Validity of Registration: Permanent

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.bigshareonline.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 022-62638200.

3. This Issue will remain open for a minimum 7 (seven) days. However, the Board of Directors will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise way such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Circular**”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the nonresident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

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

SECTION X – OTHER INFORMATION

Please note that the Right Shares applied for under this Issue can be allotted only in dematerialised form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company.

Copies of the contracts and 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 the Draft Letter of Offer until the Issue Closing Date.

Material Contracts

1. Registrar Agreement dated December 27, 2023 between our Company and the Registrar to the Issue;
2. Bankers to the Issue Agreement dated [●] among our Company, the Registrar to the Issue and the Bankers to the Issue;

Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificates of Incorporation dated April 01, 2013 of Valencia Nutrition Limited.
3. Fresh certificate of incorporation dated April 09, 2018 issued by the RoC pursuant to conversion into a public Limited company
4. Resolution passed by our Board of Directors dated December 12, 2023 authorizing the Issue.
5. Resolution of our Board of Directors dated December 30, 2023 approving and adopting this Draft Letter of Offer.
6. Resolution of our Board of Directors dated [●], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.
7. Consents of our Directors, Bankers to our Company, Bankers to the Issue, and the Registrar to the Issue for inclusion of their names in the Draft Letter of Offer to act in their respective capacities.
8. Copies of Annual Reports of our Company for Fiscals 2023 and 2022 and the limited review report dated November 10, 2023 of Statutory Auditor for the six months period ended September 30, 2023.
9. Report on Statement of Special Tax Benefits dated December 19, 2023 for our Company from the Statutory Auditors of our Company.
10. Tripartite Agreement between our Company, Central Depository Services (India) Limited (CDSL) and Registrar to the Issue dated June 10, 2019.
11. Tripartite Agreement between our Company, National Securities Depository Limited (NDSL) and Registrar to the Issue dated June 13, 2019.
12. In-principle approval issued by BSE Limited dated [●].

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Eligible Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

SD/- _____ Manish Turakhia Managing Director	SD/- _____ StavanAjmera Non-Executive Director
SD/- _____ PrabhhaShankarran Executive Director	SD/- _____ Paresh Desai Non-Executive Director
SD/- _____ Jay Shah Executive Director	SD/- _____ Geet Shah Non-Executive Independent Director
SD/- _____ JaiminPatwa Non-Executive Independent Director	SD/- _____ EshanyaGuppta Non-Executive Independent Director

SIGNED BY OUR CHIEF FINANCIAL OFFICER

SD/-

Jay Shah

Date:December 30, 2023

Place: Mumbai