



**VINTAGE COFFEE AND BEVERAGES LIMITED**  
(CIN- L15100TG1980PLC161210)

Our Company was originally incorporated as “Spaceage Products Private Limited” a private limited company vide a certificate of incorporation dated April 25, 1980, issued by the Registrar of Companies, NCT of Delhi & Haryana, under the provisions of the Companies Act, 1956. Subsequently, our Company was converted into a public limited company, following which the name was changed to “Spaceage Products Limited” and a fresh certificate of incorporation was issued on July 21, 1981 by the Registrar of Companies, Delhi & Haryana. Subsequently, the name of our Company was changed to “Vintage Coffee and Beverages Limited” and a fresh certificate of incorporation consequent on change of name dated July 15, 2021, was issued by the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identification Number (CIN) of the Company is L15100TG1980PLC161210. For further details please refer to the section titled “General Information” beginning on page 49 of this Letter of offer.

**Registered Office:** 202, Oxford Plaza, 9-1-129/1, Sd Road Secunderabad Hyderabad TG 500003



**Tel:** +91-40-27717707

**Email id:** [cs@vintagecoffee.in](mailto:cs@vintagecoffee.in); **Website:** [www.vcbl.coffee](http://www.vcbl.coffee)

**Contact Person:** Ms. Sushma Vangari, Company Secretary & Compliance Officer

**PROMOTER OF OUR COMPANY:** BALAKRISHNA TATI, VISHAL JETHALIA, MOHIT RATHI, PADMA TATI, TATI SRUTI, TATI SAI TEJA, T VENKATESHWARLU, TATI THULASI DALAXI, CHIN CORP HOLDING PTE LIMITED.

**FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF VINTAGE COFFEE AND BEVERAGES LIMITED**

THE ISSUE		
<p>ISSUE OF UPTO 3,49,01,136 EQUITY SHARES OF FACE VALUE OF RS. 10 EACH (“EQUITY SHARES”) OF VINTAGE COFFEE AND BEVERAGES LIMITED (“VCBL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. 12.00 PER EQUITY SHARE (INCLUDING PREMIUM OF RS. 2.00 PER EQUITY SHARE) (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT NOT EXCEEDING RS. 4,188.14 LACS@ TO THE ELIGIBLE EQUITY SHAREHOLDERS ON RIGHTS BASIS IN THE RATIO OF 1 (ONE) EQUITY SHARE FOR EVERY 2 (TWO) EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. MONDAY, 19TH JUNE, 2023 (THE “ISSUE”). THE ISSUE PRICE IS 1.2 TIME OF FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 135 OF THIS LETTER OF OFFER.</p> <p><i>@assuming full subscription.</i></p>		
GENERAL RISK		
<p>Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer.</p> <p>Specific attention of the investors is invited to “Risk Factors” beginning on page 24 of this Letter of Offer before making an investment in this Issue.</p>		
WILFUL DEFAULTER OR A FRAUDULENT BORROWER		
<p>Neither our Company nor any of our Promoter or Directors has been categorized as a Wilful Defaulter or a Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Wilful Defaulter or a Fraudulent Borrower issued by the Reserve Bank of India.</p>		
ISSUER’S ABSOLUTE RESPONSIBILITY		
<p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of offer contains all information with regard to our Company and the Issue, which is material in the context of this Issue; that the information contained in this Letter of offer is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held; and that there are no other facts, the omission of which makes this Letter of offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>		
LISTING		
<p>The existing Equity Shares of our Company are listed on BSE Limited (BSE). Our Company has received “in-principle” approval from BSE for listing the Equity Shares to be allotted pursuant to the Issue through their letters dated 7<sup>th</sup> June, 2023. Our Company will also make an application to BSE to obtain their trading approval for the rights entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE.</p>		
ADVISOR TO THE ISSUE	REGISTRAR TO THE ISSUE	
 <p><b>NAVIGANT CORPORATE ADVISORS LIMITED</b> 423, A Wing, Bonanza, Sahar Plaza Complex, J B Nagar, Andheri Kurla Road, Andheri East, Mumbai-400 059 <b>Tel No.</b> +91-22-41204837/49735078 <b>Email Id-</b> <a href="mailto:navigant@navigantcorp.com">navigant@navigantcorp.com</a> <b>Investor Grievance Email:</b> <a href="mailto:info@navigantcorp.com">info@navigantcorp.com</a> <b>Website:</b> <a href="http://www.navigantcorp.com">www.navigantcorp.com</a> <b>SEBI Registration Number:</b> INM000012243 <b>Contact Person:</b> Mr. Sarthak Vijlani</p>	 <p><b>PURVA SHAREREGISTRY (INDIA) PVT. LTD.</b> No-9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel, Mumbai - 400 011. <b>Tel No.:</b> +91 022-2301 2518 <b>Website:</b> <a href="http://www.purvashare.com">www.purvashare.com</a> <b>E-mail ID:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a> <b>Contact Person:</b> Ms. Deepali <b>SEBI Registration No:</b> INR000001112</p>	
ISSUE PROGRAMME		
ISSUE OPENS ON	LAST DATE OF ON-MARKET RENONCIATIONS*	ISSUE CLOSES ON**
MONDAY, 3 <sup>RD</sup> JULY, 2023	WEDNESDAY, 5 <sup>TH</sup> JULY, 2023	10 <sup>TH</sup> JULY, 2023

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

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



## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

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## VINTAGE COFFEE AND BEVERAGES LIMITED

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### SECTION I - GENERAL

#### DEFINITIONS AND ABBREVIATIONS

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

*References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits" and "Financial Statements" beginning on pages 66 and 106, respectively of this Letter of Offer, shall have the meaning given to such terms in such sections.*

#### Company Related Terms

Terms	Description
"Vintage Coffee and Beverages Limited" or "the Company" or "our Company" or "we" or "us" or "our" or "the Issuer"	Vintage Coffee and Beverages Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its Registered & Corporate Office at 202, Oxford Plaza, 9-1-129/1, Sd Road Secunderabad Hyderabad TG 500003.
Articles of Association	The Articles of Association of our Company as amended from time to time.
Auditors / Statutory Auditors	The Statutory Auditors of our Company being M/s. S. Bhalotia & Associates, Chartered Accountants.
Board / Board of Directors / our Board	The Board of Directors of our Company or a duly constituted committee thereof, as the context may refer to.
Director(s)	Any or all the Director(s) of our Board, as may be appointed from time to time.
Equity Shares / Shares	Equity Shares of face value of Rs. 10 each of our Company.
Key Managerial Personnel / KMP	Mr. Tati Balakrishna, Managing Director, Mr. Yarkali Kranthi Kumar, Chief Financial Officer and Ms. Sushma Vangari, Company Secretary and Compliance Officer, collectively referred as Key Managerial Personnel of the Company.
Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Promoter	Balakrishna Tati, Vishal Jethalia, Mohit Rathi, Padma Tati, Tati Sruti, Tati Sai Teja, T Venkateshwarlu, Tati Thulasi Dalaxi, Chin Corp Holding Pte Limited.
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 Stock Exchange under the SEBI Listing Regulations.
Registered Office	Registered office of our Company situated at Registered Office at 202, Oxford Plaza, 9-1-129/1, Sd Road Secunderabad Hyderabad TG 500003



## VINTAGE COFFEE AND BEVERAGES LIMITED

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Terms	Description
Registrar of Companies / ROC	Registrar of Companies, 2nd Floor, Corporate Bhawan Rd, GSI Post, Bandlaguda, Nagole, Hyderabad, Telangana 500068.
Subsidiary / Subsidiary Company / our Subsidiary	Our Company has two Subsidiary Companies as on this date of filing of this Letter of Offer namely, Vintage Coffee Private Limited and Delecto Foods Private Limited.

### Issue Related Terms

Term	Description
Abridged Letter of Offer or ALOF	The Abridged letter of offer to be sent to the Eligible Equity Shareholders as on the Record Date with respect to the Issue in accordance with the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allotment / Allot / Allotted / Allotment of Rights Equity Shares	The allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account(s)	The account(s) opened with the Banker(s) to this Issue, into which the Application Money lying credit to the Escrow Account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, HDFC Bank Limited.
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 to whom Rights Equity Shares of our Company are allotted pursuant to this Issue.
Applicant(s) / Investors	Eligible Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer.
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.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by Investors to make an application authorizing the SCSB to block the amount payable on application in their specified bank account maintained with SCSB.



## VINTAGE COFFEE AND BEVERAGES LIMITED

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Term	Description
ASBA Account	An account maintained with an SCSB and specified in the CAF or plain paper application, as the case may be by the Applicant for blocking the amount mentioned in the CAF or in the plain paper application.
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 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.
ASBA Investor	An investor (Equity Shareholder or Renouncee) who is intending to subscribe the Equity Shares of our Company under this Issue applying through blocking of funds in a bank account maintained with SCSBs.
Bankers to the Company	HDFC Bank, Kotak Mahindra Bank and ICICI Bank
Bankers to the Issue / Escrow Collection Bank	HDFC Bank Limited.
Bankers' Agreement	Agreement dated 14 <sup>th</sup> June, 2023 entered into by and amongst our Company, the Registrar to the Issue and the Bankers to the Issue for collection of the Application Money from Applicants/ Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in "Terms of the Issue" beginning on page 135 of this Letter of Offer.
CAF / Common Application Form	The application form used by Investors to make an application for Allotment under the Issue.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a>
Designated Branches	Such branches of the SCSBs which shall collect application forms used by ASBA Investors and a list of which is available at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a>
Designated Stock Exchange	BSE Limited
Depository	A depository registered with SEBI under the SEBI (Depository and Participant) Regulations, 2018, as amended from time to time, read with the Depositories Act, 2018.
Letter of Offer / LOF	This letter of offer dated 19 <sup>th</sup> June, 2023.
ECS	Electronic Clearing Service
Equity Shareholder(s)/ Shareholder(s)	The holders of Equity Shares of our Company.
Eligible Equity Shareholders / Eligible Shareholders/	Holders of Equity Shares of our Company as on the Record Date, i.e. Monday, 19 <sup>th</sup> June, 2023.



## VINTAGE COFFEE AND BEVERAGES LIMITED

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Term	Description
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.
"Escrow Collection Bank", "Allotment Account Bank(s)" or "Refund Bank(s)"	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, HDFC Bank Limited.
Fraudulent Borrower	A fraudulent borrower, as defined under the SEBI ICDR Regulations
General Corporate Purposes	General corporate purposes shall have the meaning as determined in Regulation 2(1)(r) of the SEBI ICDR Regulations.
GIR	General Index Registrar
IEPF	Investor Education and Protection Fund
Investor(s)	The Equity Shareholders of our Company on the Record Date i.e. 19 <sup>th</sup> June, 2023 and the Renouncee(s).
ISIN	International securities identification number
Issue / the Issue / this Issue / Rights Issue	Issue of upto fully paid up 3,49,01,136 Equity Shares with a face value of Rs. 10 each for cash at a price of Rs. 12.00 per Equity Share aggregating up to Rs. 4,188.14 Lakhs on a rights basis to Eligible Shareholders in the ratio of 1 (One) Rights Equity Shares for every 2 (Two) fully paid-up Equity Share held on the Record Date i.e. 19 <sup>th</sup> June, 2023.
Issue Closing Date	Monday, 10 <sup>th</sup> July, 2023
Issue Opening Date	Monday, 3 <sup>rd</sup> July, 2023
Issue Price	Rs. 12.00 per Equity Share
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	The issue of upto 3,49,01,136 Rights Equity Shares for an amount aggregating up to Rs. 4,188.14 Lakhs.
Letter of Offer / LOF	The final letter of offer to be issued by our Company in connection with the Issue.
Listing Agreement	Uniform listing agreement entered into under the Listing Regulations between our Company and the Stock Exchange.
MICR	Magnetic Ink Character Recognition
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 Entitlement will not be treated as multiple application.
NAV	Net Asset Value calculated as Net Worth divided by number of fully paid-up Equity Shares.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to the chapter titled "Objects of the Issue" beginning on page 57 of this Letter of Offer.
Net Worth	Net worth as defined under Section 2(57) of the Companies Act.
Non Institutional Investor(s)	Investor, including any company or body corporate, other than a Retail Individual Investor and a QIB.
Offer Document	The Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto.



## VINTAGE COFFEE AND BEVERAGES LIMITED

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Term	Description
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before 5 <sup>th</sup> July, 2023.
QIBs / Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Rights Equity Shares i.e. Monday, 19 <sup>th</sup> June, 2023.
Registered Foreign Portfolio Investors / Foreign Portfolio Investors / Registered FPIs / FPIs	Foreign portfolio investors as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
Registrar to the Issue / Registrar and Transfer Agent / RTA	M/s Purva Sharegistry (India) Private Limited.
Registrar Agreement	Agreement dated 18 <sup>th</sup> May, 2023 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouneece(s)	Person(s) who has / have acquired Rights Entitlements from the Eligible Equity Shareholders.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on 5 <sup>th</sup> July, 2023 in case of Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouneece on or prior to the Issue Closing Date.
Retail Individual Investor(s)	Individual Investors who have applied for Rights Equity Shares for an amount less than or equal to Rs. 200,000 (including HUFs applying through their karta).
Rights Entitlements (Res)	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date.
RE-ISIN	The RE-ISIN for Rights Entitlement of fully paid-up shares being INE498Q20014.
Rights Equity Shares / Rights Shares	The equity shares of face value Rs. 10 each of our Company offered and to be issued and allotted pursuant to the Issue.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through on the website of our Company.



## VINTAGE COFFEE AND BEVERAGES LIMITED

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Term	Description
Self-Certified Syndicate Bank / SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer the facility of ASBA, including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=34">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=34</a>
Share Certificate	The certificate in respect of the Rights Equity Shares allotted to a folio in a physical form.
Stock Exchange/ Stock Exchange(s)	BSE, where the Equity Shares of our Company are presently listed being BSE.
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Willful Defaulter	Willful Defaulter as defined under Regulation 2(1) (lll) of the SEBI ICDR Regulations.
Working Days	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

### Business and Industry related Terms / Abbreviations

Term	Description
AC	Accounting system
BIM	File for building information modeling
CAD	File for computer-aided design
CC	Coin changer
CC05	Chill & Cup 5 l (cooling unit and cup warmer for max. 80 cups)
CGSh	Coffee grounds separator - hanging version
CGSs	Coffee grounds separator - standing version
CH	Swiss version
CL	Cashless
CM	CleanMaster cleaning system
CN	Chinese version
CSP	Cleaning supplies passport
CV	Coin validator
CW270	Cup warmer (width 270 mm)
de	German language
DPE	Diaphragm pump external
DM	Double Media Pump Module
EC	EasyClean cleaning system





## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

Term	Description
en	English language
EU	European version
FM	FoamMaster (cold and warm milk, cold and warm milk foam)
FOV	Feature overview
FS30	Flavor Station (add-on unit, 3 flavor pumps)
FS60	Flavor Station (add-on unit, 6 flavor pumps)
FSU30	Flavor Station (placed under the counter, 3 flavor pumps)
FSU60	Flavor Station (placed under the counter, 6 flavor pumps)
FSU60 CM	Flavor Station FSU60 CM (placed under the counter, 6 flavor pumps,
FV	Front view
GB	British version
IC	Iced Coffee Module
IMT	Individual Milk Technology
ISU	Instruction for safe use
JP	Japanese version
KE200	4 l cooling unit (add-on unit)
MS	Milk system
MU	Milk pump module
NM	No Milk (no steam wand, no steam boiler)
OF	Order form
OM	One Media Pump Module
QF	Foodservice equipment
S1	Steam wand (manual)
S2	Autosteam (steam wand with temperature sensor)
S3	Autosteam Pro (steam wand with temperature sensor and programmable milk foam consistency)
SB	Specialty Beverage Station
SDS	Safety data sheet
SU03	3 l cooling unit (add-on unit)
SU05	5 l cooling unit (add-on unit)
SU12	12 l cooling unit (add-on unit)
SV	Side view
TA	Take Away (larger version)
Tank	Internal water tank
TD	Technical Datasheet
TS	TwoStep (manual milk foam production using steam boiler and steam wand)
TT	Tender text
TV	Top view
Twin	Twin system (2 fully automatics with 1 cooling unit)
UC05	5 l cooling unit (placed under the coffee machine)
UC09	9 l cooling unit (placed under the coffee machine)
US	US version
UT05	5 l cooling unit (placed under the counter)
UT12	12 l cooling unit (placed under the counter)
UT40 CM	4x10 l cooling unit (placed under the counter, CleanMaster)
W1	Internal water tank + mains water connection (optional)
W2	Mains water connection + internal water tank (optional)



## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

Term	Description
W3	Internal water tank
W4	Mains water connection

### Conventional and General Terms or Abbreviations

Term	Description
“`” / “Rs.” / “Rupees” / “INR”	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the SEBI AIF Regulations
AY	Assessment Year
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor’s Report) Order, 2016
CBIC	Central Board of Indirect Taxes and Customs
CDSL	Central Depository Services (India) Limited
Central Government	The Central Government of India
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Companies Act	Companies Act, 2013, as amended from time to time
Companies Act, 1956	Companies Act, 1956 and the rules made thereunder, as the context requires
Companies Act, 2013	Companies Act, 2013 and the rules made thereunder
COVID-19 / Novel Coronavirus	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CRAR	Capital adequacy ratio/Capital to risk assets ratio
CrPC	Code of Criminal Procedure, 1973
CTS	Cheque Truncation System
Depositories Act	The Depositories Act, 2018 as amended from time to time
DIN	Director Identification Number
DP	Depository Participant as defined under the Depositories Act
DP ID	Depository Participant’s Identity
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EPS	Earnings per Share
EGM	Extraordinary General Meeting
FCNR Account / FCNR	Foreign Currency Non Resident Account
FBIL	Financial Benchmarks India Private Limited
FDI	Foreign Direct Investment
FEMA Act / FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations promulgated there under and any amendments thereto.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2017 as amended from time to time
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Fiscal /Fiscal Year/ Financial Year/FY	12 month period commencing from April 1 and ending on March 31 of the immediately succeeding year.



## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

Term	Description
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
FPI	Foreign Portfolio Investor
FVCIs	Foreign venture capital investors as defined in and registered with SEBI under the SEBI FVCI Regulations.
GCP	General Corporate Purpose
Government/Gol	Government of India
GST	Goods and Service Tax
HFC	Housing finance companies
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
IFRS	International Financing Reporting Standards
Ind AS	Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
Indian GAAP	Generally accepted accounting principles followed in India.
Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time
ISIN	International Securities Identification Number
ISRO	Indian Space Research Organisation
I.T. Act / IT Act	Income Tax Act, 1961
I. T. Rules	Income Tax Rules, 1962, as amended from time to time.
KMP	Key Managerial Personnel
Lakh	One hundred thousand
MCA	Ministry of Corporate Affairs, Government of India
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House which is a consolidated system of ECS.
NBFC	Non-banking financial companies
NCD(s)	Non-convertible debentures
Net Worth	Aggregate of Equity Share capital and other equity
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer
N.A.	Not Applicable
NI Act	Negotiable Instruments Act, 1881
NR	Non Resident
NRE	Non Resident External Account
NRI	Non Resident Indian
NSDL	National Securities Depositories Limited
NSE	National Stock Exchange of India Limited



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Term	Description
OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Deposit) Regulations, 2000 and which was in existence on the date of the commencement of Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's)) Regulations, 2003 and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the regulations.
p.a.	Per Annum
PAN	Permanent Account Number
PAT	Profit after tax
QP	Qualified purchaser as defined in the U.S. Investment Company Act
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
SCORES	SEBI Complaints Redress System
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended from time to time
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time
SEBI ICDR Regulations /ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Listing Regulations/ Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI Takeover Regulations/ SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended from time to time
SEBI Relaxation Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and other circular issued in this behalf.
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and the SEBI Relaxation Circulars.



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<b>Term</b>	<b>Description</b>
STT	Securities transaction tax
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Total Borrowings	Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities
UPI	Unified Payments Interface
U.S/United States	The United States of America
USD / US\$	United States Dollars
US Securities Act	The United States Securities Act of 1933, as amended from time to time
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
WHO	World Health Organization

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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### NOTICE TO INVESTORS

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

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

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction.

Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

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



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

### NO OFFER IN THE UNITED STATES

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

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

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



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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### PRESENTATION OF FINANCIAL AND OTHER INFORMATION

#### Certain Conventions

In this Letter of Offer, unless otherwise specified or context otherwise requires, 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 'Gov' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

#### Financial Data

Unless stated or the context requires otherwise, our financial data included in this Letter of Offer is derived from the Audited Standalone and Consolidated Financial Statements. For further information, refer chapter titled "Financial Statements" on page 106.

We have prepared our Audited Standalone and Consolidated Financial Statements in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

Our Company's Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

In this 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. Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in Lakhs.

#### Currency of Presentation

- All references to 'INR', '₹', 'Indian Rupees', 'Rs.' and 'Rupees' are to the legal currency of India.
- Any reference to 'US\$', 'USD', '\$' and 'U.S. dollars' are to the legal currency of the United States of America.

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 Letter of Offer, all figures have been expressed in lakh.

#### Market and Industry Data

Unless stated otherwise, industry and market data used in this Letter of Offer have been obtained or derived from publicly available information. Publicly available Information generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Letter of Offer is reliable, it has not been independently verified and neither we, nor any of our affiliates, jointly or severally, make any representation as to its





## VINTAGE COFFEE AND BEVERAGES LIMITED

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accuracy or completeness. The extent to which the market and industry data used in this Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section "Risk Factors" beginning on page 24 of this Letter of Offer.

### Conversion rates for foreign currency:

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

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

*(Rs. per unit of Foreign Currency)*

Sr. No.	Name of Currency	As on 16 <sup>th</sup> June, 2023	As on March 31, 2023	As on March, 31, 2022	As on March 31, 2021	As on March 31, 2020
1	U.S. Dollar	81.92	82.18	75.90	73.20	75.33

Source: <https://www.poundsterlinglive.com/>



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### FORWARD LOOKING STATEMENTS

Our Company has included statements in this Letter of Offer which contain words or phrases such as 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'expected to', 'future', 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'will continue', 'would', or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. However, these are not the exclusive means of identifying forward looking statements. Forward-looking statements are not guarantees of performance and are based on certain assumptions, future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements.

Forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results to differ materially from our Company's expectations include, among others:

- Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various business plans;
- Any failure or disruption of our information technology system;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in other 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; and
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled "Risk Factors" beginning on page 24 of this Letter of Offer. By their very nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact or net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

Whilst we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.



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## **VINTAGE COFFEE AND BEVERAGES LIMITED**

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In accordance with SEBI / Stock Exchange requirements, our Company will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission for the Rights Equity Shares by the Stock Exchange.



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### SECTION II - SUMMARY OF LETTER OF OFFER

*The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including, "Objects of the Issue", "Our Business", "Outstanding Litigation and other Defaults" and "Risk Factors" beginning on pages 57, 81, 121, and 24 respectively of this Letter of Offer.*

#### 1. Summary Of Business

Our Company was originally incorporated as "Spaceage Products Private Limited" a private limited company vide a certificate of incorporation dated April 25, 1980, issued by the Registrar of Companies, NCT of Delhi & Haryana, under the provisions of the Companies Act, 1956. Subsequently, our Company was converted into a public limited company, following which the name was changed to "Spaceage Products Limited" and a fresh certificate of incorporation was issued on July 21, 1981 by the Registrar of Companies, Delhi & Haryana. Subsequently, the name of our Company was changed to "Vintage Coffee and Beverages Limited" and a fresh certificate of incorporation consequent on change of name dated July 15, 2021, was issued by, the Registrar of Companies, Mumbai, Maharashtra.

Equity Shares of our Company is listed at BSE Limited.

Our Current promoters namely, Balakrishna Tati, Vishal Jethalia, Mohit Rathi, Padma Tati, Tati Sruti, Tati Sai Teja, T Venkateshwarlu, Tati Thulasi Dalaxi, Chin Corp Holding Pte Limited acquired the company from existing promoters during the financial year 2021-22.

We are a group of coffee professionals very passionate about coffee with a combined experience of over 100 years and have come together to create an instant coffee product which captures the essence of conventional coffee through sophisticated modern technology and delivers it in a convenient way as Instant coffee.

We are committed to deliver this promise by offering unparalleled customer service for which we have set a unique bench mark.

Our passion for Coffee has led us to delve deep into every aspect of Instant coffee manufacture. Choicest coffee beans from Arabica and Robusta grades are carefully selected to deliver the desired taste and technology brought in to capture wonderful aromas of coffee. The net result being creation of wonderful coffee experience right from buying to consuming, bringing great value to our customer.

We are engaged in our coffee business through our subsidiary, Vintage Coffee Private Limited ("VCPL") and Delecto Foods Private Limited ("DFPL"). We operate a highly optimized and vertically integrated coffee business which ranges from procuring, processing and roasting of coffee beans to retailing of coffee products across various formats.

*For further details, refer chapter titled "Our Business" on page 81.*

#### Summary of Industry

India is among the top 10 coffee-producing countries, with about 3% of the global output in 2020. Indian coffee is one of the best coffees in the world due to its high quality and gets a high premium in the international markets. India produces two types of coffee: Arabica and Robusta. Arabica has high market value than Robusta coffee due to its mild aromatic flavor. Robusta coffee is mainly used in making various blends due to its strong flavor. Robusta is the majorly manufactured coffee with a share



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of 72% of the total production. The industry provides direct employment to more than 2 million people in India. Since coffee is mainly an export commodity for India, domestic demand and consumption do not drastically impact the prices of coffee.

Coffee is largely produced in the southern part of India. Karnataka is the largest producer accounting for about 70% of the total coffee production in India. Kerala is the second-largest producer of coffee but lags far behind, accounting only for about 23% of the total production. Tamil Nadu is the third-largest producer, where India's 6% of the coffee is produced. Nearly half of Tamil Nadu's coffee is made in the Nilgiri district, a major Arabica growing region. Orissa and the northeastern areas have a smaller proportion of production.

For further details, refer chapter titled "Our Industry" on page 68.

### 2. Object of the Issue

Our Company intends to utilize the Net Proceeds for the following object:

(Amount in Lakhs)				
S.No.	Particulars	Amounts	% of gross proceeds	% of Net proceeds
1.	To invest in Vintage Coffee Private Limited, Wholly Owned Subsidiary Company to finance its Working Capital Requirements.	2,100.00*	50.14%	50.44%
2.	To invest in Delecto Foods Private Limited, Wholly Owned Subsidiary Company to finance its Working Capital Requirements.	663.00*	15.83%	15.93%
3.	To make acquisitions of Businesses in similar or complementary space	400.00*	9.55%	9.61%
4.	To meet General corporate purposes	1,000.14*	23.88%	24.02%
5.	To meet the expenses of the Issue	25.00*	0.60%	-
	<b>Total</b>	<b>Upto 4,188.14*</b>	<b>100.00%</b>	<b>-</b>

*\*assuming full subscription*

For further details, refer chapter titled "Objects of the Issue" on page 57.

### 3. Intention and extent of participation by the Promoter and Promoter Group

The Promoters of our Company have, vide their letters dated 18th May, 2023 ("Subscription Letters") indicated that they will not subscribe fully to their portion of right entitlement. Further, the promoters have confirmed that do not intend to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any).

The Company shall maintain minimum public shareholding requirements as stipulated under the SEBI Listing Regulations.

As such, other than meeting the requirements indicated in the chapter titled "Objects of the Issue" at page 57 of this Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares.



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As such, other than meeting the requirements indicated in the chapter titled “Objects of the Issue” at page 57 of this Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares.

In case the Rights Issue remains unsubscribed and / or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and the Equity Shareholders and in compliance with the applicable laws.

### 4. Auditor Qualifications

There are certain qualifications, reservations and adverse remarks made by our Statutory Auditors in their report to Audited financial statements of the Company for the financial year 2022-23, 2021-22 and 2020-21.

### 5. Summary of outstanding litigations

S.No.	Outstanding Litigations	Amount (in Lakhs)
1.	Pending Litigations involving our Company and subsidiary Company	469.73
2.	Pending Dues to Revenue Departments	-
3.	Pending litigation with Revenue Departments	-

For further details, please see chapter titled “Outstanding Litigations and Other Defaults” beginning on page 121 of this Letter of Offer.

### 5. Financial Summary

The following table depicts the summary of the financial information derived from the Audited Standalone financial statements of the Company for the preceding three financial years-

(Rs. in Lakhs except EPS and NAV per share)

Sr. No.	Particulars	For the year ended on		
		March 31, 2023	March 31, 2022	March 31, 2021
		Ind AS	Ind AS	Ind AS
1.	Share Capital	6,980.23	6,980.23	312.47
2.	Net worth	13,794.97	13,679.45	325.48
3.	Revenue from operations	3,574.83	449.17	21.24
4.	Profit After Tax **	115.37	17.83	9.67
5.	Earnings Per Share - Basic (Rs.)	0.17	0.03	0.31
6.	Earnings Per Share - Diluted (Rs.)	0.17	0.03	0.31
7.	NAV per Equity Shares	19.76	19.60	10.42
8.	Total Borrowings (As per Balance Sheet)	436.39	-	15.54

The following table depicts the summary of the financial information derived from the Audited Consolidated financial statements of the Company for the preceding three financial years-

(Rs. in Lakhs except EPS and NAV per share)

Sr. No.	Particulars	For the year ended on	
		March 31, 2023	March 31, 2022
		Ind AS	Ind AS



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Sr. No.	Particulars	For the year ended on	
		March 31, 2023	March 31, 2022
		Ind AS	Ind AS
1.	Share Capital	6,980.23	6,980.23
2.	Net worth	10,847.74	10,463.82
3.	Revenue from operations	6,289.05	3,658.91
4.	Profit After Tax **	386.20	(1,227.17)
5.	Earnings Per Share - Basic (Rs.)	0.55	(1.76)
6.	Earnings Per Share - Diluted (Rs.)	0.55	(1.76)
7.	NAV per Equity Shares	15.54	14.99
8.	Total Borrowings (As per Balance Sheet)*	10,226.68	10,974.38

\*Our Company has become holding company during FY 2021-22.

### 6. Risk Factors

Investments in equity and equity-related securities involve 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 offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Letter of Offer.

For the details pertaining to the internal and external risk factors relating to the Company, kindly refer to the chapter titled "Risk Factors" beginning on page no. 24 of this Letter of Offer.

### 7. Contingent liabilities

As on March 31, 2023, there are no contingent liabilities on our Company.

### 8. Related party transactions

For details regarding our related party transactions as per Ind AS 24, see "Financial Statements" beginning on page 106 of this Letter of Offer.

### 9. Financing Arrangements

There has been no financing arrangement whereby our Promoter, members of the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of 6 (six) months immediately preceding the date of this Letter of Offer.

### 10. Issue of Equity Shares for consideration other than cash in last one year

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



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## **VINTAGE COFFEE AND BEVERAGES LIMITED**

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### **11. Split / Consolidation**

There has been no sub division (face value split) in last one year from the date of this Letter of offer.

### **12. EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

Our Company has not submitted any application to SEBI for exemption from complying with any provisions of Securities.





## VINTAGE COFFEE AND BEVERAGES LIMITED

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### 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 Letter of Offer, including in "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and "Financial Statements" before making an investment in our Equity Shares.*

*The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition and results of operations could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. 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 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 Letter of Offer.*

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

#### INTERNAL RISK FACTORS

##### BUSINESS RELATED RISK

1. The top -level management of the company is associated with the company from less than three years.

In the year 2021, our company was acquired by its current promoters from its former promoters and an Open Offer from 2<sup>nd</sup> June, 2021 to 15<sup>th</sup> June, 2021 (both dates inclusive). Consequently, the management of the company has been changed to its current form. Further, our Chief Financial Officer is associated with our company from less than three years. For more details on the top management, Key Management Personnel and their appointment, please refer to chapter "Our Management" beginning on page 91.

2. Our Company is a party to certain litigations, the outcome of which could adversely affect our business operations and financial condition.

Summary of litigations are given below:

Particulars	No. of Cases/ Disputes	Approximate Aggregate Claim Amount (Rs. In Lakhs)
LITIGATION BY OR AGAINST OUR COMPANY		



## VINTAGE COFFEE AND BEVERAGES LIMITED

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Particulars	No. of Cases/ Disputes	Approximate Aggregate Claim Amount (Rs. In Lakhs)
<b>Litigation filed by Our Company</b>		
Civil Cases filed by our Company	2	469.73
Criminal cases filed by our Company	-	-

If cases filed by our Company are not decided in favor of our Company, these entities would be deprived of claims receivable from counter party.

For details of the above litigation, please refer to the section titled "Outstanding Litigation" appearing on page 121 of this Letter of offer.

- 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 failure to obtain, retain and renew such approvals and licenses or comply with such rules and regulations, in a timely manner or at all may adversely affect our operation.**

Being a manufacturing company, we require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for a fixed period of time and need renewal from time to time. We are required to renew such permits, licenses and approvals periodically. There can be no assurance that the relevant authorities will issue such permits or approvals to our Company or that they will issue these in time. Further, these permits, licenses and approvals are subject to several conditions and our Company may not be able to continuously meet the conditions and this may lead to cancellation, revocation or suspension of relevant permits / licenses / approvals. Failure by our Company to renew, maintain or obtain the required permits, licenses or approvals or any contravention of or non-compliance with the terms of various regulatory approvals applicable to the manufacturing facility may also require us to cease or limit production until such non-compliance is remedied to the satisfaction of relevant regulatory authorities resulting in the interruption of our Company's operations and may have a material impact on our business prospects, financial condition and cash flows.

- Our Wholly owned subsidiary Companies have manufacturing facility in Telangana and thus we are located in one geographic area i.e. Telangana. Therefore, any localised social unrest, natural disaster or breakdown of services or any other natural disaster in and around Telangana or any disruption in production at, or shutdown of, our manufacturing facility could have material adverse effect on our business and financial condition.**

As on the date of this Letter of Offer, our Wholly owned subsidiary Companies have manufacturing facility which is located in Telangana. Accordingly, our current manufacturing operations is concentrated in one geographic area. Our manufacturing operations and consequently our business is dependent upon our ability to manage these manufacturing facilities, which is subject to operating risks, including those beyond our control. In the event of any disruptions at these manufacturing facilities, due to natural or man-made disasters, workforce disruptions, delay in regulatory approvals, fire, failure of machinery, lack of continued access to assured supply of electrical power and water at reasonable costs, changes in the policies of the states or local government or authorities or any significant social, political or economic disturbances or civil disruptions in and around Telangana, our ability to manufacture our products may be adversely affected.



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In addition to the loss as a result of a fire or industrial accident, any shutdown of our manufacturing facility could result in us being unable to meet with our commitments, result in modification of our business strategy, or require us to incur significant capital expenditure, which will have an adverse effect on our business, results of operation and financial condition. Disruptions in and around our manufacturing facility could delay production or require us to shut down the facility.

- 5. Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at any of our manufacturing facilities may adversely affect our production schedules, costs, sales and ability to meet customer demand.**

Our business operations are subject to hazards such as risk of equipment failure, work accidents, fire or explosion and require individuals to work under potentially dangerous circumstances or with flammable materials. Although we employ safety procedures in the operation of our facilities and maintain what we believe to be adequate insurance, there is a risk that an accident or death may occur in one of our facilities. An accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects. In particular, if operations at our manufacturing facility were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects.

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

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

- 7. Our business is dependent on our manufacturing facility. The loss of or shutdown of operations of our manufacturing facility may have a material adverse effect on our business, financial condition and results of operations.**

Our 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



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authorities. The occurrence of any of these risks could significantly affect our operating results. We carry out planned shutdowns of our plant for maintenance. Although we take precautions to minimize the risk of any significant operational problems at our facilities, our business, financial condition and results of operations may be adversely affected by any disruption of operations at our facilities, including due to any of the factors mentioned above.

- 8. The capacity of our current plants unit are not fully utilized. Consecutively, if there is also any under-utilization of our capacities in next three years, it could affect our ability to fully absorb fixed costs and thus may adversely impact our financial performance.**

The capacity of our current plants is not fully utilized. The Installed capacity has been increasing during the last three years and the capacity utilization of our plants has also been increasing on a year-on-year basis in the last three. Further, we propose to fully utilize our production capacities in next three year based on our estimates of market demand and profitability. In the event of nonmaterialization of our estimates and expected order flow for our product and/or failure of optimum utilization of our capacities, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilized thereby impairing our ability to fully absorb our fixed cost and may adversely impact our financial performance.

- 9. We face risks and uncertainties associated with the implementation of expansion and new projects which may impact our business, operations and revenue.**

Our business plan includes expansion of our geographical reach and enter the large domestic market for growth opportunities and thereby increase the revenue. We may face risks and uncertainties in relation to expansion and achieving our business plans efficiently, which may include various factors i.e. we may face difficulties in recruiting, training and retaining sufficient skilled faculty members, technical and management personnel and inability to or difficulty in satisfying clients expectations . This may adversely affect our business, results of operation and revenues..

- 10. Our ability to retain the clients is heavily dependent upon various factors including our reputation and our ability to maintain a high level of quality including our satisfactory performance for the customers. Any failure by us to retain or attract customers may impact its business and revenues.**

We believe our strong brand reputation has helped us to attract and retain our customers. As a result, our reputation and perception of our brands are critical to our business. Although, we believe that we as well as our customers have a dedicated and talented team that comprise of experienced personnel in the field of cattle feed and animal supplements. Our business heavily relies on our reputation as well as the quality and popularity of the product provided by us and our visibility and perception amongst customers. It is important that we retain the trust placed by our customers. We must also continue to attract more and increase the number of our customers at a consistent rate.

We attempt to retain our position by maintaining quality and by our ability to improve and add value to the performance of our customers in their respective areas. This requires constant upgradation of the methodology and manufacturing technologies are adequately equipped. Further, we rely on a variety of advertising efforts tailored to target the customers. Failure to maintain and enhance our reputation or any actual or perceived reasons leading to reduction of benefits from our customers or any negative publicity against us may affect the rate of customers. Any failure by us to retain or attract customers may adversely impact our business and revenues.



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- 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 Fiscals 2023, our top ten customers contribute approximately 100.00% of our total revenue from operations. Furthermore, most of the business that we conduct with our top customers is through purchase orders that are placed from time to time. 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 whether due to circumstances specific to such customer, such as pricing pressures or adverse market conditions affecting our supply chain, the specialty chemicals industry or the economic environment generally, such as the COVID-19 pandemic, 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. In the event our competitors' products offer better margins to such customers or otherwise incentivize them, there can be no assurance that our customers will continue to place orders with us. Most of our transactions with our customers are typically on a purchase order basis without any commitment for a fixed volume of business. 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. In the event our customers alter their requirements, it could have a material adverse effect on our business growth and prospects, financial condition, results of operations and cash flows. In addition, our customers may also cancel purchase orders at short notice or without notice, which could have an impact on our inventory management. In the event of frequent cancellations of purchase orders, the same could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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. Further, in the event our customers experience any delays in placing orders with us, or if they prefer to buy the products of our competitors, it could have a material adverse effect on our business growth and prospects, financial condition, results of operations and cash flows. 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. We are largely dependent on few suppliers for our raw materials and an inability to procure the desired quality, quantity of our raw materials in a timely manner and at reasonable costs, or at all, may have a negative impact on our business, results of operations, financial condition and cash flows.**

We purchase our major raw material from few suppliers on formula based pricing as mutually agreed upon. Further, our total purchases of raw materials are concentrated from only few suppliers.



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Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices.

We have a mutual understanding with our primary suppliers and we also enter into agreement with them from time to time. However, the absence of long-term supply contracts subjects us to risks such as price volatility caused by various factors viz. commodity market fluctuations, climatic and environmental conditions, production and transportation cost, changes in domestic government policies and regulatory changes. If we cannot fully offset the increase in raw material prices with increase in the prices for our products, we will experience lower profit margins, which in turn may have a material adverse effect on our results of operations, financial condition and ultimately lead to a liquidity crunch. In the absence of such contracts, we are also exposed to the risk of unavailability of certain raw materials in desired quantities and qualities, in a timely manner.

Although we have not faced significant disruptions in the procurement of raw materials in the past, COVID-19 pandemic temporarily affected our ability to source raw materials from certain vendors who were unable to transport raw materials to us. There can thus, be no assurance that in future we will be able to procure the required quantities and quality of raw materials commensurate with our requirements. There can also be no assurance that a particular supplier will continue to supply us with raw materials in the future. Any delay in supplying finished products to customers in accordance with the terms and conditions of the purchase orders, such as delivery within a specified time, as a result of delayed raw material supply, could result in the customer refusing to accept our products, which may have an adverse effect on our business and reputation. Further, we cannot assure you of our ability to enter into fresh agreements or renew our existing arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner as well as the commitments to our customers, which may impact our business and profitability.

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

We are, to a major extent, dependent on external suppliers for our raw materials requirements and we do not have any long-term supply agreements or commitments in relation to the same or for any other raw materials used in our manufacturing process. There can be no assurance that there will not be a significant disruption in the supply of raw materials from current sources or, in the event of a disruption, that we would be able to locate alternative suppliers of materials of comparable quality on terms acceptable to us, or at all. Identifying a suitable supplier involves a process that requires us to become satisfied with their quality control, responsiveness and service, financial stability and labour and other ethical practices. Consequently, we are also exposed to price fluctuations in raw materials, and these fluctuations may adversely affect our ability to obtain orders and/or to execute them in a timely manner, which would have a material adverse effect on our business, results of operations and financial condition. In case of non-availability of raw materials on favourable terms, we may have to procure the same at the terms and conditions prevalent at that point. This may result in reducing our revenues by a considerable amount due to shortage of raw material or due to inability to procure the same. Further, unfavourable terms of raw materials may also force us to reduce the scale of our operations resulting in a down-sizing of our overall business. We may have to put on hold any expansion plans and our future growth will be severely stunted. Any delay, interruption or increased cost in the supply arising from a lack of long-term contracts could have an adverse effect on our ability to meet customer demand for our products and result in lower revenue from operations both in the short and long term.



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

The demand for our products depends on quality that we manufacture and market. Any failure of ours 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 or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

- 15. Delays or defaults in client payments could result in a reduction of our profits.**

We may be subject to working capital shortages due to delays or defaults in payments by clients. If clients default in their payments in due time to which we have devoted significant resources it could have a material adverse effect on our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

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

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

- 17. We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.**

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

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

Our Company uses third party transportation providers for delivery of our raw materials and finished goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. In addition goods may be lost or damaged in transit for various reasons including occurrence of



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accidents or natural disasters. There may also be delay in delivery of products, which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials or finished goods may have an adverse effect on our business and results of operations.

Further, disruptions of transportation services due to weather related problems, strikes, lock-outs, inadequacies in the road infrastructure, or other events could impair ability to procure raw materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

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

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

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

**20. Conflicts of interest may arise out of common business undertaken by our Company and our promoter Group Entities.**

Some of our Promoter Group Entities are authorized to carry out business similar to that of our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Entities in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other companies in which our Promoters have interests. There can be no assurance that our Promoters or our Group Entities or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

**21. We have entered into related party transactions in the past and may continue to do so in the future.**

Our Company has entered into various transactions with our Promoters and associate companies. While we believe that all such transactions are conducted on arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions were not entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to chapter "Related Party Transactions" beginning on page 105 of this letter of offer.





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**22. Any adverse change in regulatory requirements governing our products and the products of our customers, may adversely impact our business, prospects, results of operations and financial condition.**

Regulatory requirements with respect to our products and the products of our customers are subject to change. An adverse change in the laws governing the manufacturing of our products and their usage by our customers, including the development of licensing requirements and technical standards and specifications or the imposition of onerous requirements, may have an adverse impact on our operations. We may be required to alter our manufacturing and/or distribution process and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our customers. We cannot assure you that we will be able to comply with such changes or additional regulatory requirements.

If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market. Further, changes in regulatory requirements, may result in our customers being unable to utilise our products for manufacturing their respective products. There is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, prospects, results of operations and financial condition.

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

Modernization and technology up gradation is essential to reduce costs and increase the efficiency. Our technology may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we are utilizing latest technology by using latest machineries and equipments, we shall continue to strive to keep our technology updated. In case of a new found technology in the cattle feed and allied sector, we may be required to implement new technology employed by us. Further, the cost in upgrading our technology is significant which could substantially affect our finances and operations.

**24. We are a listed company and are required to comply with rules and regulations imposed by the Stock Exchanges and SEBI with respect to continuous listing and the Companies Act. Any failure to comply with such rules and regulations or any wrong disclosure made to the Stock Exchange or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.**

As a listed company, we are required to comply with certain conditions for continuous listing under the SEBI Listing Regulations and other rules and regulations imposed by SEBI, which require us to make certain periodic disclosures, including disclosures about any material events or occurrences with respect to our Company, disclosure of our financial statements and disclosure of our updated shareholding pattern. Any failure to comply with these continuous disclosure requirements or any wrongful disclosure made by us to the Stock Exchange or any other statutory authority may lead to penalties being imposed on us. There has been, on few occasions, inadvertent Non Compliances/ Delay Compliances done by our Company as required under the provisions of SEBI LODR Regulations, Insider Trading Regulations, SEBI Takeover Regulations. We believe, we are in compliance with rules and regulations imposed by the BSE and SEBI with respect to continuous listing, any failure to comply with such rules and regulations or any wrong



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disclosure/ Non filing/ Delay Filing to the BSE or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

**25. Our success depends largely on our senior management and our ability to attract and retain our key personnel.**

Our success depends on the continued services and performance of the members of our management team and other key employees. Competition for senior management in the industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. The loss of the services of our Promoters could seriously impair our ability to continue to manage and expand our business. Further, the loss of any other member of our senior management or other key personnel may adversely affect our business, results of operations and financial condition. We do not maintain key man's life insurance for our Promoters, senior members of our management team or other key personnel.

**26. We may not be successful in implementing our business and growth strategies.**

The success of our business depends substantially on our ability to implement our business and growth strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Failure to implement our business and growth strategies would have a material adverse effect on our business and results of operations.

**27. As on the date of this Letter of Offer, no investor complaint is outstanding on SCORES.**

As on the date of this Letter of Offer, no investor complaint is outstanding on SCORES. But there is no assurance that in future the Company will be able to resolve each and every investor complaint received on SCORES. For detailed information of the no. of Investor Complaints received and resolved by the Company, kindly refer to page 132 of this letter of letter.

**28. We have experienced negative cash flows and any negative cash flows in the future could adversely affect our financial conditions and results of operations.**

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

Standalone basis:

(Amount in Lakhs)

Particulars	31.03.2023	31.03.2022	31.03.2021
Net Cash flow from Operating activities	898.82	(204.71)	13.07
Net Cash Flow from investing activities	(1346.51)	(13116.48)	-
Net Cash Flow from Financing activities	433.37	13319.66	-
<b>Net Cash Flow for the Year</b>	<b>(14.32)</b>	<b>(1.53)</b>	<b>13.07</b>



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Consolidated basis:

(Amount in Lakhs)

Particulars	31.03.2023	31.03.2022	
Net Cash flow from Operating activities	1124.24	(2,726.93)	
Net Cash Flow from investing activities	(111.06)	(16038.45)	
Net Cash Flow from Financing activities	(1088.87)	18968.11	
<b>Net Cash Flow for the Year</b>	<b>(75.69)</b>	<b>202.73</b>	

### 29. Registered office is not owned are not owned by us.

We operate from our registered office situated at 202, Oxford Plaza,9-1-129/1, Sd Road Secunderabad Hyderabad TG 500003. The same has been taken on lease from one of Wholly Owned Subsidiaries i.e namely Delecto Foods Private Limited to use the place situated at 202, Oxford Plaza,9-1-129/1, Sd Road Secunderabad Hyderabad TG 500003 as registered office. The Lease started from 01/08/2021 & present Lease agreement valid for one year period starting from 01/08/2022 to 31/07/2023. Any discontinuance of facility to use the office will lead us to locate any other premises. Our inability to identify the new premises may adversely affect the operations, finances and profitability of our Company.

### 30. Insurance coverage obtained by us may not adequately protect us against unforeseen losses.

We have not maintained any insurance coverage of our assets and accident policies. In the event we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected.

### 31. Delay in raising funds from the Right issue could adversely impact the implementation schedule.

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

### 32. A significant portion of the Issue proceeds will be utilised by our Company to invest in wholly owned subsidiary Companies for their working capital requirements.

The main object of the Issue is to invest in wholly owned subsidiary Companies named Vintage Coffee Private Limited and Delecto Foods Private Limited for their working capital requirements. For further details, please see the chapter titled “*Objects of the Issue*” beginning on page 57 of this Letter of Offer. The amount of Net Proceeds utilized towards such investment in our wholly owned subsidiary will not be available for use in our business for any other purposes.

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

The fund requirement and deployment, as mentioned in the “*Objects of the Issue*” on page 57 of this Letter of Offer is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter "Objects of the Issue" is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter "Objects of the Issue" will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

**34. Our future fund requirements, in the form of further issue of capital or securities may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.**

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

**35. Our Company's ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.**

Our Company has not been a dividend paying Company in last five years. Further, the amount of future dividend payments, if any, will depend upon our Company's future earnings, financial condition, cash flows, working capital requirements, the terms and conditions of our Company's indebtedness and capital expenditures. There can be no assurance that our Company will be able to pay dividends in the future.

**36. Industry information included in this Letter of offer has been derived from industry reports commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.**

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Letter of offer. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their depend ability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Letter of Offer.



## VINTAGE COFFEE AND BEVERAGES LIMITED

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- 37. There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by the Audit Committee.**

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Issue size above Rs. 10,000 Lacs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the BSE and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

### RISKS RELATING TO RIGHTS ISSUE

- 38. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of Investor's shareholding**

The Rights Entitlements that are not exercised prior to the end of the 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 pursuant to increase in paid up share capital. 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 Rights Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the Demat Account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Rights Issue with respect to such Rights Entitlements.

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

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

- 40. 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.



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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### **41. The Issue Price of our Right Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.**

The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

- (a) quarterly variations in the rate of growth of our financial indicators such as earnings per share;
- (b) changes in revenue or earnings estimates or publication of research reports by analysts;
- (c) speculation in the press or investment community;
- (d) general market conditions; and
- (e) domestic and international economic, legal and regulatory factors unrelated to our performance.

### **EXTERNAL RISK FACTORS**

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

There could be a downgrade of India's sovereign debt rating due to various factors, including changes in tax or fiscal policy, or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available.

### **43. Investing in securities that carry emerging market risks can be affected generally by volatility in the emerging markets.**

The markets for securities bearing emerging market risks, such as risks relating to India, are, to varying degrees, influenced by economic and securities market conditions in other emerging market countries. Although economic conditions differ in each country, investors' reactions to developments in one country may affect securities of issuers in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general.

Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India, which could adversely affect the Indian financial sector in particular. Any such disruption could have an adverse effect on our Company's business, future financial performance, financial condition and results of operations, and affect the price of the Equity Shares. Accordingly, the price and liquidity of the Equity Shares may be subject to significant fluctuations, which may not necessarily be directly or indirectly related to our financial performance.

### **44. Political instability or changes in the Government or Government policies could impact the liberalization of the Indian economy and adversely affect economic conditions in India generally.**

The performance and growth of our Company is dependent on the health of the Indian economy and more generally the global economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates



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and other matters affecting investment in India could change as well. As a result, our business and the market price and liquidity of the Equity Shares may be affected by such economic and / or political changes. While the current Government is expected to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no absolute assurance that such policies will be continued. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and specifically have an adverse effect on the operations of our Company.

**45. Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect our business, prospects, results of operations and financial condition.**

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade as well as the worldwide financial markets. The Asian region has from time to time experienced instances of civil unrest and hostilities among neighbouring countries which may persist and occur in the future. Military activity or terrorist attacks in India may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the World, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

**46. Natural disasters and other disruptions could adversely affect the Indian economy and could cause our business and operations to suffer and the trading price of our Equity Shares to decrease.**

Our operations, may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations which could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our infrastructure. We may also be liable to our customers for disruption in supply resulting from such damage or destruction. Our insurance coverage for such liability may not be sufficient. Any of the above factors may adversely affect our business, our financial results and the price of our Equity Shares.

**47. Any future issuance of the Equity Shares may dilute your future shareholding and sales of the Equity Shares by the Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.**

Any future equity issuances by our Company may lead to dilution of your future shareholding in our Company. Any future equity issuances by our Company or sales of the Equity Shares by the Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Share. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Share. Except as otherwise stated in the Letter of Offer, there is no restriction on our Company's ability to issue the Securities or the relevant shareholders' ability to dispose of their Equity Share, and there can be no assurance that our Company will not issue Equity Share or that any such shareholder (including Promoters and Promoter Group) will not dispose of, encumber, or pledge its Securities.



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**48. The outbreak of Novel Coronavirus, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.**

The outbreak, or threatened outbreak, of any severe epidemic caused due to viruses (particularly the Novel Coronavirus) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our customers and suppliers, which could adversely affect our business, financial condition and results of operations. The outbreak of Novel Coronavirus has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. There is currently substantial medical uncertainty regarding Novel Coronavirus. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of Novel Coronavirus remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting Novel Coronavirus or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of Novel Coronavirus will cause an economic slowdown and it is possible that it could cause a global recession. The spread of Novel Coronavirus has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed.

The extent to which the Novel Coronavirus further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. We are still assessing our business operations and system supports and the impact Novel Coronavirus may have on our results and financial condition, but there can be no assurance that this analysis will enable us to avoid part or all of any impact from the spread of Novel Coronavirus or its consequences, including downturns in business sentiment generally or in our sector in particular. The degree to which Novel Coronavirus impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people. Further in case the lockdown is extended, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company.





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### **49. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.**

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the Govt has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.



## VINTAGE COFFEE AND BEVERAGES LIMITED

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### SECTION IV- INTRODUCTION

#### THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled “*Terms of the Issue*” beginning on page 135 of this Letter of Offer:

#### Authority for the Issue

The Equity Shares in the present Issue are being offered pursuant a resolution passed by our Board at its meeting held on 18<sup>th</sup> May, 2023 in accordance with the provisions of the Companies Act.

#### Summary of the Issue

<b>Rights Equity Shares to be Issued</b>	Upto fully paid up 3,49,01,136 Equity Shares
<b>Rights Entitlement for Equity Shares</b>	1 (One) Fully paid-up Rights Equity Shares for every 2 (Two) fully paid-up Equity Share held on the Record Date.
<b>Record Date</b>	Monday, 19 <sup>th</sup> June, 2023
<b>Face value per Equity Share</b>	Rs. 10 each
<b>Issue Price per Rights Equity Share</b>	Rs. 12.00 per Rights Equity Share
<b>Issue Size</b>	Upto Rs. 4,188.14 Lakhs
<b>Equity Shares outstanding prior to the Issue</b>	6,98,02,273 fully paid up Equity Shares
<b>Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)</b>	10,47,03,409 fully paid up Equity Shares
<b>ISIN and Symbol</b>	ISIN: INE498Q01014, BSE Scrip Code: 538920
<b>Terms of the Issue</b>	For more information, please see the chapter titled “ <i>Terms of the Issue</i> ” beginning on page 135 of this Letter of Offer.
<b>Use of Issue Proceeds</b>	For more information, please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 57 of this Letter of Offer.
<b>Terms of Payment</b>	The full amount of Issue Price Rs. 12.00 per Rights Equity Share is payable on Application.

For details in relation fractional entitlements, see “Terms of the Issue - Fractional Entitlements” beginning on page 153 of this Letter of Offer.

#### Terms of payment

<b>Due Date</b>	<b>Amount payable per Equity Shares</b>
On the Issue application (i.e. along with the Application Form)	Rs. 12.00



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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### SUMMARY OF FINANCIAL STATEMENTS

The summary financial information of our Company as derived from the Audited Financial Statements of our Company for the financial year ended on March 31, 2023 and 2022, 2021 is reproduced below. Our summary financial information should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in chapter titled “*Financial Statements*” beginning on page 106 of this Letter of Offer.

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## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)


### AUDITED STANDALONE PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023, 31<sup>ST</sup> MARCH, 2022, 31<sup>ST</sup> MARCH, 2021

Vintage Coffee And Beverages Limited (formerly known as Spaceage Products Limited)				
Annexure II - Restated Statement of Profit and Loss			(Rs. In Lakhs)	
Particulars	Note	For the period ended		
		March 31, 2023	March 31, 2022	March 31, 2021
<b>Income</b>				
Revenue from Operations	14	3,574.83	449.17	21.24
Other Income	15	136.88	83.05	-
<b>Total Revenue</b>		<b>3,711.71</b>	<b>532.22</b>	<b>21.24</b>
<b>Expenses</b>				
(a) Cost of Materials consumed	16	3,241.73	399.21	-
(b) Employee benefits expense	17	82.82	52.00	2.40
(c) Finance Cost	18	3.02	0.31	0.04
(d) Other expenses	19	228.24	56.59	4.12
<b>Total Expenses</b>		<b>3,555.80</b>	<b>508.12</b>	<b>6.56</b>
Profit / (Loss) before exceptional items and Tax		155.90	24.10	14.68
Profit / (Loss) before Tax		155.90	24.10	14.68
a) Current Tax		40.54	6.27	5.00
b) Deffered Tax		-	-	0.01
Profit/ (Loss) for the period (After Tax)		115.37	17.83	9.67
Other Comprehensive Income		-	-	-
<b>Total Comprehensive income for the period</b>		<b>115.37</b>	<b>17.83</b>	<b>9.67</b>
<b>Earnings Per Share (EPS)</b>				
(a) Basic		0.17	0.03	0.31
(b) Diluted		0.17	0.03	0.31

The Accompanying notes are an integral part of the financial statements  
As per our Report of even date  
For S. Bhalotia & Associates  
Chartered Accountants  
Firm's Registration No :0325040E

For and on behalf of the Board

CA. Binod Kumar Sahoo  
Partner  
Membership No : 305406  
Place: Hyderabad  
Date:13-06-2023  
UDIN:- 23305406BGXYRB8621




Balakrishna Tati  
Managing Director  
DIN 02161095

Venkateshwarlu Tati  
Director  
DIN 03044421

Sushma Vangari  
Company Secretary  
M. NO:A65275

Y. Kranthi Kumar  
Chief Financial Officer




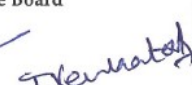


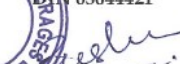




## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

### AUDITED STANDALONE BALANCE SHEET AS ON 31ST MARCH, 2023, 31<sup>ST</sup> MARCH, 2022, 31<sup>ST</sup> MARCH, 2021

Vintage Coffee And Beverages Limited (formerly known as Spaceage Products Limited)				
Annexure I - Restated Statement of Assets and Liabilities				
(Rs.In Lakhs)				
Particulars	Note	As at		
		March 31, 2023	March 31, 2022	March 31, 2021
<b>ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, Plant and Equipment & Intangible Assets				
-Property, Plant and Equipment	1	0.01	0.01	0.01
(b) Financial Assets				
(i) Investments	2	11,875.51	11,875.51	-
(ii) Loans	3	2,883.12	1,536.61	295.64
(c) Deferred tax assets (Net)	4	0.09	0.09	0.09
<b>Total Non-Current Assets</b>		<b>14,758.74</b>	<b>13,412.22</b>	<b>295.74</b>
<b>2 Current assets</b>				
(a) Financial Assets				
(ii) Trade receivables	5	397.91	277.16	30.38
(iii) Cash and cash equivalents	6	4.78	19.10	20.63
(b) Other current assets	7	19.29	8.25	-
<b>Total Current Assets</b>		<b>421.97</b>	<b>304.50</b>	<b>51.01</b>
<b>TOTAL ASSETS</b>		<b>15,180.71</b>	<b>13,716.72</b>	<b>346.75</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	8	6,980.23	6,980.23	312.47
(b) Other Equity (Reserves & Surplus)	9	6,814.74	6,699.22	13.01
<b>Total Equity</b>		<b>13,794.97</b>	<b>13,679.45</b>	<b>325.48</b>
<b>Liabilities</b>				
<b>1 Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	10	436.39	-	15.54
<b>Total Non-current liabilities</b>		<b>436.39</b>	<b>-</b>	<b>15.54</b>
<b>2 Current liabilities</b>				
(a) Financial Liabilities				
(i) Trade Payables	11	240.55	13.32	0.62
(b) Other current liabilities	12	660.47	15.60	-
(c) Provisions	13	48.33	8.37	5.12
<b>Total Current liabilities</b>		<b>949.35</b>	<b>37.28</b>	<b>5.74</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>15,180.71</b>	<b>13,716.72</b>	<b>346.75</b>
The Accompanying notes are an integral part of the financial statements				
As per our Report of even date				
For S. Bhalotia & Associates				
Chartered Accountants				
Firm's Registration No :0325040E				
 <b>CA. Binod Kumar Sahoo</b> Partner Membership No : 305406 Place: Hyderabad Date:13-06-2023 UDIN:- 23305406BGXYRB8621				
For and on behalf of the Board				
 				
<b>Balakrishna Tati</b> Managing Director DIN 02181095		<b>Venkateshwarlu Tati</b> Director DIN 03044421		
				
 <b>Y. Kranthi Kumar</b> Chief Financial Officer		 <b>Sushma Vangari</b> Company Secretary M. NO:A65275		



## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

### AUDITED STANDALONE CASH FLOW STATEMENT FOR THE ENDED 31ST MARCH, 2023, 31<sup>ST</sup> MARCH, 2022, 31<sup>ST</sup> MARCH, 2021

Vintage Coffee And Beverages Limited (formerly known as Spaceage Products Limited)			
Annexure - IV Restated Statement of Cash Flows			(Rs. in Lakhs)
PARTICULARS	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2021
<b>Cash flow from Operating Activities</b>			
Profit before tax from continuing operations	155.90	24.10	14.68
<b>Profit Before Tax</b>	<b>155.90</b>	<b>24.10</b>	<b>14.68</b>
<b>Adjustments for :</b>			
Interest & Other Financial Costs	3.02	0.31	-
Income Tax / Interest on Income tax debited	(40.38)	(5.64)	-
<b>Operating Profit before Working Capital Changes</b>	<b>118.54</b>	<b>18.77</b>	<b>14.68</b>
<b>Adjustment For Change in working Capital:</b>			
Change in trade Receivable	(120.75)	(246.78)	3.10
Change in Short term Loans and Advances & Other current assets	(11.04)	(8.25)	-
Change in Trade Payable	227.23	12.70	-
Change in Other current Liabilities	684.85	18.85	(4.71)
<b>Changes in Working Capital</b>	<b>780.28</b>	<b>(223.48)</b>	<b>(1.61)</b>
<b>Cash generated from Operations</b>	<b>898.82</b>	<b>(204.71)</b>	<b>13.07</b>
<b>Less: - Direct Taxes Paid (net of refund)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash Flow from/ (used in) Operating Activities (A)</b>	<b>898.82</b>	<b>(204.71)</b>	<b>13.07</b>
<b>Cash flow from Investing Activities</b>			
Loans/ Advances given to Subsidiary companies/Others	(1,346.51)	(1,240.97)	-
Investment in Subsidiary companies	-	(11,875.51)	-
<b>Net Cash Flow from/(used in) Investing Activities (B)</b>	<b>(1,346.51)</b>	<b>(13,116.48)</b>	<b>-</b>
<b>Cash flow from Financing activities</b>			
Proceed from issue of Eq.Shares	-	13,335.51	-
Proceeds / (Repayment) of Long terms borrowings	436.39	(15.54)	-
Interest & Other Financial Costs	(3.02)	(0.31)	-
<b>Net Cash from/(used in) Financing Activities ( C)</b>	<b>433.37</b>	<b>13,319.66</b>	<b>-</b>
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A)+(B)+(C)</b>	<b>(14.32)</b>	<b>(1.53)</b>	<b>13.07</b>
Cash and cash equivalent at the beginning of the year	19.10	20.63	7.55
<b>Cash and Cash Equivalent At The End Of The Year</b>	<b>4.78</b>	<b>19.10</b>	<b>20.63</b>
<b>Component Of Cash and Cash Equivalents</b>			
Cash in Hand	1.62	9.04	16.85
With Banks	3.16	10.06	3.78
<b>Total Cash and Cash Equivalents</b>	<b>4.78</b>	<b>19.10</b>	<b>20.63</b>

As per our Report of even date

For S. Bhalotia & Associates

Chartered Accountants

Firm's Registration No :0325040E

CA. Binod Kumar Sahoo  
Partner

Membership No : 305406

Place: Hyderabad

Date:13-06-2023

UDIN:- 23305406BGXYRB8621



For and on behalf of the Board

Balakrishna Tati  
Managing Director  
DIN 02181095

Y. Kranthi Kumar  
Chief Financial Officer



Venkateshwarlu Tati

Director  
DIN 03044421

Sushma Vangari  
Company Secretary  
M. NO:A65275



**VINTAGE COFFEE AND BEVERAGES LIMITED**

(CIN- L15100TG1980PLC161210)

**AUDITED CONSOLIDATED PROFIT AND LOSS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023,  
31<sup>ST</sup> MARCH, 2022, 31<sup>ST</sup> MARCH, 2021**

Vintage Coffee And Beverages Limited			
Annexure II - Restated Consolidated Statement of Profit and Loss			
(Rs.In Lakhs)			
Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>Income</b>			
Revenue from Operations	19	6,289.05	3,658.91
Other Income	20	39.46	67.48
<b>Total Revenue</b>		<b>6,328.51</b>	<b>3,726.39</b>
<b>Expenses</b>			
(a) Cost of Materials consumed	21	3,306.22	1,477.42
(b) Purchase of Stock-in-Trade		-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(8.55)	853.76
(d) Employee benefits expense	23	498.63	391.70
(e) Finance Cost	24	612.75	443.54
(f) Depreciation and amortisation expense	25	490.27	342.84
(g) Other expenses	26	954.47	1,380.97
<b>Total Expenses</b>		<b>5,853.79</b>	<b>4,890.24</b>
Profit / (Loss) before exceptional items and Tax		474.72	(1,163.85)
Exceptional items		-	-
Profit / (Loss) before Tax		474.72	(1,163.85)
Tax Expense:			
a) Current Tax		68.80	20.15
b) Deffered Tax		19.73	43.17
Profit/ (Loss) for the period (After Tax)		386.20	(1,227.17)
Other Comprehensive Income		-	-
Total Comprehensive income for the period		386.20	(1,227.17)
<b>Earnings Per Share (EPS)</b>			
(a) Basic		0.55	(1.76)
(b) Diluted		0.55	(1.76)

The accompanying significant accounting policies and notes form an integral part of the consolidated financial statements

As Per Our Report Of Even Date Attached

For S. Bhalotia & Associates

Chartered Accountants

FRN : 325040E

CA. Binod Kumar Sahoo

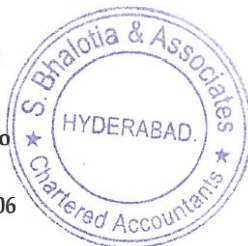
Partner

Membership No : 305406

Place: Hyderabad

Date: 13-06-2023

UDIN: 23305406BGXYRC1354



For and on behalf of the board

Balakrishna Tati

Managing Director

DIN:02181095

Venkateshwarlu Tati

Director

DIN:03044421

Sushma Vangari

Company Secretary

M. NO:A65275

Y. Kranthi Kumar

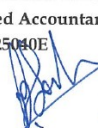
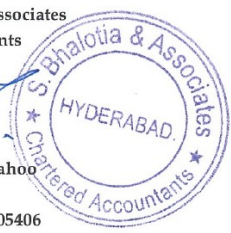




Chief Financial Officer



## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

### AUDITED CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2023, 31<sup>ST</sup> MARCH, 2022, 31<sup>ST</sup> MARCH, 2021

Vintage Coffee And Beverages Limited			
Annexure I - Restated Consolidated Statement of Assets and Liabilities			
(Rs.In Lakhs)			
Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment & Intangible Assets			
-Property, Plant and Equipment	2	7,952.94	8,441.27
(b) Goodwill	3	7,264.50	7,264.50
(c) Financial Assets			
(i) Loans	4	411.97	293.46
(d) Deferred tax assets (Net)	5	0.09	0.09
<b>Total Non-Current Assets</b>		<b>15,629.50</b>	<b>15,999.33</b>
<b>2 Current assets</b>			
(a) Inventories	6	6,110.35	5,901.42
(b) Financial Assets			
(i) Trade receivables	7	1,209.46	1,240.05
(ii) Cash and cash equivalents	8	147.69	223.37
(c) Other current assets	9	1,479.23	1,248.98
<b>Total Current Assets</b>		<b>8,946.72</b>	<b>8,613.82</b>
<b>TOTAL ASSETS</b>		<b>24,576.22</b>	<b>24,613.15</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	10	6,980.23	6,980.23
(b) Other Equity (Reserves & Surplus)	11	3,867.51	3,483.59
<b>Total Equity</b>		<b>10,847.74</b>	<b>10,463.83</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	5,903.01	6,398.86
(ii) Trade Payables	13	1,127.80	1,127.80
(b) Deferred tax liabilities (Net)	14	597.93	578.20
<b>Total Non-current liabilities</b>		<b>7,628.74</b>	<b>8,104.85</b>
<b>2 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	4,323.67	4,575.52
(ii) Trade Payables	16	1,249.32	807.60
(b) Other current liabilities	17	450.15	639.10
(c) Provisions	18	76.60	22.25
<b>Total Current liabilities</b>		<b>6,099.74</b>	<b>6,044.47</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,576.22</b>	<b>24,613.15</b>
The accompanying significant accounting policies and notes form an integral part of the consolidated financial statements			
As Per Our Report Of Even Date Attached			
For S. Bhalotia & Associates Chartered Accountants FRN : 325040E		For and on behalf of the board	
  <b>CA. Binod Kumar Sahoo</b> Partner Membership No : 305406 Place: Hyderabad Date: 13-06-2023 UDIN: 23305406BGXYRC1354		 <b>Balakrishna Tati</b> Managing Director DIN:02181095	
		 <b>Venkateshwarlu Tati</b> Director DIN:03044421	
		 <b>Y. Kranthi Kumar</b> Chief Financial Officer	
		 <b>Sushma Vangari</b> Company Secretary M. NO:A65275	





**VINTAGE COFFEE AND BEVERAGES LIMITED**

(CIN- L15100TG1980PLC161210)

**AUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE ENDED 31ST MARCH, 2023, 31<sup>ST</sup> MARCH, 2022, 31<sup>ST</sup> MARCH, 2021**

Vintage Coffee And Beverages Limited Annexure - IV Restated Consolidated Statement of Cash Flows		
(Rs. in Lakhs)		
PARTICULARS	Year Ended 31st March 2023	Year Ended 31st March 2022
<b>Cash flow from Operating Activities</b>		
Profit before tax from continuing operations	474.72	(1,163.85)
Profit Before Tax	474.72	(1,163.85)
Adjustments for :		
Depreciation and Amortization Expenses	490.27	342.84
Interest & Other Financial Costs	612.75	443.54
Interest Received	(9.37)	(7.97)
Income Tax / Interest on Income tax debited	(90.81)	(20.15)
<b>Operating Profit before Working Capital Changes</b>	1,477.56	(405.59)
Adjustment For Change in working Capital:		
Change in Inventories	(208.93)	(5,901.42)
Change in trade Receivable	30.59	(1,209.67)
Change in Short term Loans and Advances & Other current assets	(230.25)	(1,228.79)
Change in Trade Payable	441.72	806.98
Change in Short Term Borrowing	(251.85)	4,575.52
Change in Other current Liabilities	(134.60)	656.23
<b>Changes in Working Capital</b>	(353.32)	(2,301.14)
<b>Cash generated from Operations</b>	1,124.24	(2,706.73)
Less: - Direct Taxes Paid (net of refund)	-	20.19
<b>Net Cash Flow from/ (used in) Operating Activities (A)</b>	1,124.24	(2,726.93)
<b>Cash flow from Investing Activities</b>		
Purchase of Fixed assets, including CWIP and Capital Advances	(1.93)	(16,048.61)
Interest Received	9.37	7.97
Loans/ Advances given to Subsidiary companies/ Others	(118.50)	2.18
<b>Net Cash Flow from/(used in) Investing Activities (B)</b>	(111.06)	(16,038.45)
<b>Cash flow from Financing activities</b>		
Proceed from issue of Eq.Shares	-	11,322.34
Change in Long Term Loans and Advances	19.73	1,705.99
Proceeds / (Repayment) of Long terms borrowings	(495.84)	6,383.32
Interest & Other Financial Costs	(612.75)	(443.54)
<b>Net Cash from/(used in) Financing Activities (C)</b>	(1,088.87)	18,968.11
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A)+(B)+(C)</b>	(75.69)	202.73
Cash and cash equivalent at the beginning of the year	223.37	20.63
<b>Cash and Cash Equivalent At The End Of The Year</b>	147.69	223.37
<b>Component Of Cash and Cash Equivalents</b>		
Cash in Hand	6.24	13.04
With Banks	141.45	210.33
<b>Total Cash and Cash Equivalents</b>	147.69	223.37
As Per Our Report Of Even Date Attached		
For S. Bhalotia & Associates Chartered Accountants FRN : 325040E		For and on behalf of the board  Balakrishna Tati Managing Director DIN:02181091
CA. Binod Kumar Sahoo Partner Membership No. : 305406 Place: Hyderabad Date: 13-06-2023 UDIN: 23305406BGXYRC1354		 Venkateshwarlu Tati Director DIN:03044421  Sushma Vangari Company Secretary M. NO:A65275  Y. Kranthi Kumar Chief Financial Officer



## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

### GENERAL INFORMATION

Our Company was originally incorporated as “Spaceage Products Private Limited” a private limited company vide a certificate of incorporation dated April 25, 1980, issued by the Registrar of Companies, NCT of Delhi & Haryana, under the provisions of the Companies Act, 1956. Subsequently, our Company was converted into a public limited company, following which the name was changed to “Spaceage Products Limited” and a fresh certificate of incorporation was issued on July 21, 1981 by the Registrar of Companies, Delhi & Haryana. Subsequently, the name of our Company was changed to “Vintage Coffee and Beverages Limited” and a fresh certificate of incorporation consequent on change of name dated July 15, 2021, was issued by, the Registrar of Companies, Mumbai, Maharashtra.

### OFFICE(S) OF OUR COMPANY

#### REGISTERED OFFICE

#### VINTAGE COFFEE AND BEVERAGES LIMITED

202, Oxford Plaza,9-1-129/1, Sd Road Secunderabad Hyderabad TG 500003

CIN: L15100TG1980PLC161210

Email: [cs@vintagecoffee.in](mailto:cs@vintagecoffee.in)

Website: [www.vcbl.coffee](http://www.vcbl.coffee)

Tel: +91-40-27717707

#### ADDRESS OF REGISTRAR OF COMPANIES

#### Registrar of Companies, Telangana

Address: GSI Post, Tattiannaram,  
Corporate Bhawan Rd, Bandlaguda, Nagole, Hyderabad,  
Telangana 500068.

#### CHANGES IN REGISTERED OFFICE

Our Company has shifted the Registered Office in last three years, the details of which are set out below:

Date of Change of Registered Office	Old Address	New Address	Reason for Change
16/02/2022	B-702, Neelkanth Business Park, Near Vidyavihar Bus Depot, Vidyavihar (West) Mumbai, Maharashtra 400086	202, Oxford Plaza,9-1-129/1, Sd Road Secunderabad Hyderabad TG 500003	Due to operational convenience and ease.

#### BOARD OF DIRECTORS OF OUR COMPANY

NAME	DESIGNATION	DIN	PAN	ADDRESS
Mr. Tati Balakrishna	Managing Director	02181095	AAWPT5827G	10-3-163/1 Flat No B 505 Amsri Central Court Apts, Old Lancer Line, Secunderabad, Hyderabad, Telangana- 500025



## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

NAME	DESIGNATION	DIN	PAN	ADDRESS
Mr. Venkateshwarlu Tati	Non-Executive Director	03044421	ADCPT1687R	Flat No 501 Sai Nandanam Appts Deepthisree Nagar Madinaguda Road No-1 Opp CBR Estates Main Gate Miyapur Tirumalagiri Miyapur, Hyderabad AP-500049
Mr. Mohit Rathi	Non-Executive Director	07184150	ALJPR8258D	Flat C-103 Brigade at No 7 B-2-545, Road No 7 Banjarahills, Khairatabad, Hyderabad, Telangana, 500034
Mr. Ajay Poonia	Non-Executive and Independent Director	07566017	BFGPP1956N	477 Near Mother Diary Sector-25-N Block Noida Gautam Buddha Nagar, Uttar Pradesh-201301
Ms. Aakanksha	Non-Executive and Independent Director	08792778	AWRPA9608B	4-4-933 to 935, Flat No. 107, 3 <sup>rd</sup> Floor, Sultan Bazar, Royal Plaza, Ramkote, Nampally, Hyderabad, Telangana, 500001
Mr. Bala Vinod Sudam	Non-Executive and Independent Director	03313282	AKAPS0003P	H. No. 1-3-2, Kavadiguda, Gandhi Nagar Hyderabad Telangana-500080

For more details, please see the section titled "Our Management" on page 91 of this Letter of Offer.

### COMPANY SECRETARY & COMPLIANCE OFFICER:

**Ms. Sushma Vangari**

202, Oxford Plaza,9-1-129/1, Sd Road Secunderabad  
Hyderabad TG 500003

Email: [cs@vintagecoffee.in](mailto:cs@vintagecoffee.in)

Website: [www.vcbl.coffee](http://www.vcbl.coffee)

Tel: +91-40-27717707

*Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (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 of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "Terms of the Issue" beginning on page 135 of this Letter of Offer.*

### CHIEF FINANCIAL OFFICER:

**Mr. Yarkali Kranthi Kumar**

202, Oxford Plaza,9-1-129/1, Sd Road Secunderabad Hyderabad TG 500003



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## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

Email: [cs@vintagecoffee.in](mailto:cs@vintagecoffee.in)

Website: [www.vcbl.coffee](http://www.vcbl.coffee)

Tel: +91-40-27717707

### ADVISOR TO THE ISSUE:

#### Navigant Corporate Advisors Limited

423, A Wing, Bonanza, Sahar Plaza Complex,

J B Nagar, Andheri Kurla Road,

Andheri East, Mumbai-400 059

Tel. No. +91-22-41204837/49735078

Email Id- [navigant@navigantcorp.com](mailto:navigant@navigantcorp.com)

Investor Grievance Email: [info@navigantcorp.com](mailto:info@navigantcorp.com)

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

SEBI Registration Number: INM000012243

Contact Person: Mr. Sarthak Vijlani

### REGISTRAR TO THE ISSUE

#### PURVA SHAREGISTRY (INDIA) PVT. LTD.

No-9, Shiv Shakti Industrial Estate,

Ground Floor, J. R. Boricha Marg,

Opp. Kasturba Hospital, Lower Parel,

Mumbai - 400 011.

Tel No.: 022-2301 6761 / 2301 8261.

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

E-mail ID: [support@purvashare.com](mailto:support@purvashare.com)

Contact Person: Ms. Deepali Dhuri

SEBI Registration No: INR000001112

### STATUTORY AUDITORS:

#### M/s. S. Bhalotia & Associates

Chartered Accountants

1-11-240/5/1 Shyamlal Building Dugar Arcade, Begumpet Hyderabad-500016

Email: [hyd@sbassociates.co.in](mailto:hyd@sbassociates.co.in)

Phone: +040-4007-5150/51/52

Contact Person: Mr. Binod Kumar Sahoo, Partner

### EXPERTS

Our Company has not obtained any expert opinion.

### BANKER TO THE ISSUE AND REFUND BANK:

#### HDFC Bank Limited

Address: FIG- OPS Department- Lodha,

I Think Techno Campus O-3 Level, Next to Kanjurmarg Railway

Station, Kanjurmarg (East) Mumbai- 400042,

Maharashtra, India

Telephone No.: +91 22 30752927/28/2914

Email Id: [Siddharth.Jadhav@hdfcbank.com](mailto:Siddharth.Jadhav@hdfcbank.com); [eric.bacha@hdfcbank.com](mailto:eric.bacha@hdfcbank.com); [Sachin.gawade@hdfcbank.com](mailto:Sachin.gawade@hdfcbank.com)

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



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## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

**SEBI Registration No:** INBI00000063

**Contact Person:** Siddharth Jadhav, Eric Bacha, Sachin Gawade

### **Self-Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=34>. Details relating to Designated Branches of SCSBs collecting the ASBA application forms are available at the above mentioned link.

### **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 size of the Issue is less than Rs. 10,000 Lakh, our Company is not required to appoint a monitoring agency.

### **Appraising Agency**

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

### **Underwriting**

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

### **Minimum Subscription**

The objects of the Issue are Investment in Wholly owned subsidiary Companies for their working capital requirements and General Corporate Purpose, and do not involve financing of capital expenditure for a project.

However, our promoters have indicated that they will not subscribe fully to their portion of right entitlement. Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirement of minimum subscription is applicable to the Issue.

### **FILLING OF THIS LETTER OF OFFER:**

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



## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

### 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:

Issue Opening Date	Monday, 3 <sup>rd</sup> July, 2023
Last Date of Market renunciation of rights entitlements#	Wednesday, 5 <sup>th</sup> July, 2023
Issue Closing Date*	Monday, 10 <sup>th</sup> July, 2023

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

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

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., 6<sup>th</sup> July, 2023 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., 7<sup>th</sup> July, 2023.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. For details on submitting Application Forms, see "Terms of the Issue - Process of making an Application in the Issue" beginning on page 137 of this Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at [www.purvashare.com](http://www.purvashare.com) after keying in their respective details along with other security control measures implemented thereat. For further details, see "Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders" beginning on page 148 of this Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the 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 Issue.

### Changes in Auditors during the last three years

There has been no change in the Auditors of the Company during the last three years except M/s. S. Bhalotia & Associates was appointed as Statutory Auditor of the Company during the financial year 2021-22.



## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

### CAPITAL STRUCTURE

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

(Rs. in Lakh, except the shares data)

	Particulars	Aggregate value at face value	Aggregate value at Issue Price
<b>A.</b>	<b>AUTHORIZED SHARE CAPITAL</b>		
	11,00,00,000 Equity Shares of Rs. 10 each	11,000.00	-
<b>B.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE</b>		
	6,98,02,273 Equity Shares of Rs. 10 each	6,980.23	-
<b>C.</b>	<b>PRESENT ISSUE BEING OFFERED TO THE EXISTING EQUITY SHAREHOLDERS THROUGH THIS LETTER OF OFFER <sup>(1)</sup></b>		
	Upto 3,49,01,136 Equity Shares at an Issue Price of Rs. 12.00 per Equity Share	3,490.11	4,188.14
<b>D.</b>	<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL AFTER THE ISSUE <sup>(2)</sup></b>		
	Upto 10,47,03,409 Equity Shares of face value of Rs. 10 each fully paid up	10,470.34	-
<b>E.</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue		-
	After the Issue		698.02

*(1) The Issue has been authorized by a resolution of our Board passed at its meeting held on 18<sup>th</sup> May, 2023 pursuant to Section 62 of the Companies Act, 2013.*

*(2) Assuming full subscription for and allotment of the Rights Entitlement.*

#### Notes to the Capital Structure:

- Our Company does not have any employee stock option scheme or employee stock purchase scheme.
- Our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Letter of Offer, which would entitle the holders to acquire further Equity Shares.

#### 3. Shareholding of Promoter and Promoter Group:

The details of specified securities held by the Promoter and Promoter Group including the details of lock-in, pledge and encumbrance on such securities as on the date of this Letter of Offer are set forth hereunder:



## VINTAGE COFFEE AND BEVERAGES LIMITED

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Sr. No.	Name of the Promoter & Promoter Group	Category	No. of Equity Shares held	% of total share capital	Details of Equity Shares pledged/ encumbered		Details of Equity Shares locked-in	
					No. of Equity Shares	% of total share capital	No. of Equity Shares	% of total share capital
1.	Balakrishna Tati	Promoter	1,97,69,586	28.32	-	-	64,21,698	32.48
2.	Vishal Jethalia	Promoter	39,33,556	5.64	-	-	12,77,726	32.48
3.	Mohit Rathi	Promoter	30,93,101	4.43	-	-	10,04,723	32.48
4.	Padma Tati	Promoter	8,17,646	1.17	-	-	5,90,421	72.21
5.	Tati Sruti	Promoter	7,34,241	1.05	-	-	2,38,501	32.48
6.	Tati Sai Teja	Promoter	3,77,025	0.54	-	-	1,22,468	32.48
7.	T Venkateshwarlu	Promoter	85,607	0.12	-	-	27,808	32.48
8.	Tati Thulasi Dalaxi	Promoter	84,000	0.12	-	-	27,285	32.48
9.	Valbe Foods (India) Private Limited	Promoter Group	5,51,540	0.79	3,80,414	68.97	-	-
10.	Chin Corp Holding Pte Limited	Promoter	1,93,47,055	27.72	-	-	1,93,47,055	100.00

Except as mentioned above, None of the Equity Shares held by our Promoter and Promoter Group are pledged with any bank or institution, locked-in or otherwise.

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

### 5. Intention and extent of participation in the Issue by the Promoter and Promoter Group

The Promoters of our Company have, vide their letters dated 18<sup>th</sup> May, 2023 ("Subscription Letters") indicated that they will not subscribe fully to their portion of right entitlement. Further, the promoters have confirmed that do not intend to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any).

The Company shall maintain minimum public shareholding requirements as stipulated under the SEBI Listing Regulations.

As such, other than meeting the requirements indicated in the chapter titled "Objects of the Issue" at page 57 of this Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares.

6. All the Equity Shares of our Company are fully paid-up as on the date of this Letter of Offer. Further, the Equity Shares offered in the Rights Issue shall be made fully paid at the time of their allotment.





## VINTAGE COFFEE AND BEVERAGES LIMITED

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7. At any given time, there shall be only one denomination of the Equity Shares of our Company, excluding any equity shares with superior rights, if any, issued by our Company.
8. The ex-rights price per Equity Share arrived in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is Rs. 21.67.
9. The details of the shareholders holding more than 1% of the share capital of the Company as on March 31, 2023 are as under:

Sr. No.	Name of Shareholders	No. of Equity Shares held	% of total share capital
1	Balakrishna Tati	1,97,69,586	28.32
2	Chin Corp Holding Pte Limited	1,93,47,055	27.72
3	Ambey Bhawani Projects Private Limited	57,42,436	8.23
4	Vishal Jethalia	39,33,556	5.64
5	Mohit Rathi	30,93,101	4.43
6	Guardian Finance Pvt Ltd	10,60,171	1.52
7	Padma Tati	8,17,646	1.17
8	Tati Sruti	7,34,241	1.05
9	Raja Rajeswari Balusu	7,28,058	1.04

### 10. Shareholding Pattern of our Company

Shareholding Pattern of the Equity Shares of our Company as per the last filing with the Stock Exchange, i.e., as on March 31, 2023 can be accessed on the website of the BSE respectively at <https://www.bseindia.com/stock-share-price/vintage-coffee-and-beverages-ltd/vincofe/538920/shareholding-pattern/>

The statement showing the holding of Equity Shares of persons belonging to the category “Promoter and Promoters Group” as on March 31, 2023 can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=538920&qtrid=117.00&QtrName=March%202023>

The Statement of showing the details of shares pledged, encumbrance by promoters and promoter group as on March 31, 2023 can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=538920&qtrid=117.00&QtrName=March%202023>

### Details of options and convertible securities outstanding as on the date of this Letter of Offer

There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Letter of Offer.



## VINTAGE COFFEE AND BEVERAGES LIMITED

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### OBJECTS OF THE ISSUE

Our Company proposes to utilize the net proceeds from the Issue towards funding the following objects.

1. To invest in Vintage Coffee Private Limited, Wholly Owned Subsidiary Company to finance its Working Capital Requirements;
  2. To invest in Delecto Foods Private Limited, Wholly Owned Subsidiary Company to finance its Working Capital Requirements.
  3. To make acquisitions of businesses in similar or complementary space.
  4. To meet General corporate purposes;
  5. To meet the expenses of the Issue.
- (Collectively, referred herein as the “objects”).

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

### Utilization of Net Proceeds

The details of the proceeds of the Issue are summarized below:

**(Rs. In Lakhs)**

S.No.	Particulars	Amounts
1)	Gross Proceeds	4,188.14
2)	(Less) Issue related expenses	25.00
3)	<b>Net Proceeds</b>	<b>4,163.14</b>

### UTILISATION OF NET PROCEEDS

We intend to utilise the Net Proceeds from the Issue, in the manner set below:

**(Rs. In lakhs)**

S.No.	Particulars	Amounts	% of gross proceeds	% of Net proceeds
1.	To invest in Vintage Coffee Private Limited, Wholly Owned Subsidiary Company to finance its Working Capital Requirements.	2,100.00	50.14%	50.44%
2.	To invest in Delecto Foods Private Limited, Wholly Owned Subsidiary Company to finance its Working Capital Requirements.	663.00	15.83%	15.93%
3.	To make acquisitions of Businesses in similar or complementary space	400.00	9.55%	9.61%
4.	To meet General corporate purposes	1,000.14	23.88%	24.02%
5.	To meet the expenses of the Issue	25.00	0.60%	-
	<b>Total</b>	<b>4,188.14</b>	<b>100.00%</b>	<b>-</b>



## VINTAGE COFFEE AND BEVERAGES LIMITED

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### Schedule of implementation/ Utilization of Issue Proceeds

Our Company proposes to deploy the Net Proceeds in the aforesaid objects as follows:

(Rs. In lakhs)

Sr. No.	Particulars	Amount Proposed to be Deployed from Issue Proceeds	Estimated Schedule of Deployment of Net Proceeds
			FY 2023-24
1.	To invest in Vintage Coffee Private Limited, Wholly Owned Subsidiary Company to finance its Working Capital Requirements.	2,100.00	2,100.00
2.	To invest in Delecto Foods Private Limited, Wholly Owned Subsidiary Company to finance its Working Capital Requirements.	663.00	663.00
3.	To make acquisitions of Businesses in similar or complementary space.	400.00	400.00
4.	To meet General corporate purposes.	1,000.14	1,000.14
5.	To meet the expenses of the Issue.	25.00	25.00
	<b>Total</b>	<b>4,188.14</b>	<b>4,188.14</b>

### **MEANS OF FINANCE:**

The fund requirements set out below are proposed to be funded from the Net Proceeds and internal accruals. We confirm that we are in compliance with the requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

The fund requirement and deployment is based on internal management estimates and our Company's current business plan and is subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution.

Any amount, deployed by our Company out of internal accruals towards the aforementioned objects till the date of receipt of Issue Proceeds shall be recouped by our Company from the Issue Proceeds of the Issue. In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects. For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 24 of this Letter of offer.



## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

### 1. TO INVEST IN VINTAGE COFFEE PRIVATE LIMITED, WHOLLY OWNED SUBSIDIARY COMPANY TO FINANCE ITS WORKING CAPITAL REQUIREMENTS.

Our Company intend to utilize an amount upto Rs. 2100.00 Lakhs out of the issue proceeds to invest in our one of the wholly owned subsidiary Companies i.e. Vintage Coffee Private Limited (VCPL). VCPL is engaged in the business of manufacturing, processing, exporting Instant coffee, Instant Chicory, Roasted and Ground Coffee, Coffee Substitutes and other allied coffee products including coffee seeds, tea.

VCPL requires additional funding to meet its working capital requirements, and proposes to utilize upto Rs. 2,100.00 lakhs to fund working capital requirements for the Financial year 2023-24. Set forth below are the details of VCPL's working capital as at March 31, 2022 and March 31, 2023.

Details of Estimation of Working Capital requirement are as follows:

Sr. No.	Particulars	Amount in Rs. Lakhs			
		31.03.2021 Audited	31.03.2022 Audited	31.03.2023 Audited	31.03.2024 Projected
<b>A.</b>	<b>Current Assets</b>				
	Inventories	5,188.27	4,738.01	4,973.37	4,356.21
	Trade receivables	598.11	413.22	391.84	1,917.83
	Short Term Loans & Advances	-	-	-	-
	Other Current Assets	1,012.32	770.22	751.57	810.00
	Cash and Bank Balance	149.93	61.52	0.57	221.00
	Current Investment		-		-
	<b>Total Current Assets</b>	<b>6,948.63</b>	<b>5,982.97</b>	<b>6,117.35</b>	<b>7,305.04</b>
<b>B.</b>	<b>Current Liabilities</b>				
	Trade payable	1,169.38	462.03	257.80	623.30
	Other current liabilities	2,057.61	425.38	195.68	215.60
	Short-term provisions		-	-	-
	<b>Total Current Liabilities</b>	<b>3,226.99</b>	<b>887.41</b>	<b>453.47</b>	<b>838.90</b>
<b>C.</b>	<b>Working Capital Gap (A-B)</b>	<b>3,721.64</b>	<b>5,095.57</b>	<b>5,663.88</b>	<b>6,466.15</b>
<b>D.</b>	<b>Existing Working Capital Limits</b>	<b>3854.62</b>	<b>3,408.34</b>	<b>3,243.48</b>	<b>3,500.00</b>
<b>E.</b>	<b>Working Capital funding through Issue Proceeds</b>	-	-	-	<b>2,100.00</b>
<b>F.</b>	<b>Working Capital funding through Internal Accruals/ Borrowings</b>	-	-	-	<b>866.15</b>

#### Assumption for Working Capital Requirement

Assumptions for holding level (Days)

Particulars	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Inventory	489	514	411	105
Trade Receivable	56	45	32	60
Trade Payable	141	84	36	30



## VINTAGE COFFEE AND BEVERAGES LIMITED

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### Justification of Holding Level of last 3 years and estimated for FY 24:

Sr.No.	Particulars	Assumptions
<b>Current Assets</b>		
1	Revenues from operations:	The revenues from operations from FY 2022 to FY 2023 have increased by 31.12% and the revenues from operations from FY 2021 to FY 2022 was decreased by 13.14% due to covid 19. However, going forward we have estimated the rationalization in increase our revenues by utilizing the existing plant capacity.
2	Inventories:	The raw materials of the company which is Coffee Beans seasonal in nature hence we need to keep the stocks of raw materials for a longer period and moreover the finished goods also we need keep for longer period. We have estimated 3.50 Months stocks holding level for the FY24 (Raw materials -2.5 Months and Finished Goods-1 Month).
3	Trade receivables	We have assumed the Trade Receivable holding period level of around 60 days in financial year 2023-24 since our main business is export of instant coffee to various countries. Our terms of payment majorly Documents against payment (DP) , basically the holding period is transit time of the export shipments from our factory to reach the customer destination ports.
4	Other current assets including other financial assets.	The key items under this head are advance to suppliers, staff, other advances, security deposit with statutory authorities, Balances of taxes with Government authorities, prepaid expenses etc.
<b>Current Liabilities</b>		
5	Trade payables	In previous financial years from 2020-21 to 2022-23, Our payable's credit period was around 80-90 days, Our company will strive to adhere to stricter credit policy to achieve better and favorable pricing terms and to ensure continued relations with the existing suppliers. By making early payments to the suppliers (i.e. availing lower credit periods), the company shall be able to get competitive prices which would result in a reduction in the cost as a percentage of sales thereby increasing the profitability of the Company. Thus, the Company has estimated lower credit period of around 30 days in a FY 2023-24 which would in turn help in reducing the cost of sales and improve profitability margins.
6	Other current liabilities	Other current liabilities include provisions, statutory dues, expenses payable etc.

### Justification for utilization of Working Capital requirement for financial year 2023-24:

We have estimated Rs. 115.00 Crores turnover during the Financial Year 2023-24 & Calculated the Working capital requirement as per standard holding levels of the industry and the Company. Accordingly, VCPL needs additional working capital funds for expansion of business.

Assuming full subscription and Allotment of the Rights Equity Shares in the Issue, our Company proposes to utilize upto Rs. 2,100.00 lakhs from the Net Proceeds towards making an investment in VCPL for funding its working capital requirements.

We will determine the form of investment for the abovementioned investment in VCPL, i.e., whether



## VINTAGE COFFEE AND BEVERAGES LIMITED

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they will involve equity, debt or any other instrument or combination thereof. At this stage, our Company cannot determine whether the form of investment will be equity, debt or any other instrument or combination thereof. Our Subsidiaries do not have any stated dividend policy and our Company cannot be assured of any dividends from it. Our Company will remain interested in our Subsidiaries, and will derive benefits from it, to the extent of our direct or indirect shareholding in it, or as a lender if funds are deployed in the form of debt. *For details, see "Risk Factors on page 24.*

### 2. TO INVEST IN DELECTO FOODS PRIVATE LIMITED, WHOLLY OWNED SUBSIDIARY COMPANY TO FINANCE ITS WORKING CAPITAL REQUIREMENTS.

Our Company intend to utilize an amount upto Rs. 663.00 Lakhs out of the issue proceeds to invest in our one of the wholly owned subsidiary Companies i.e. Delecto Foods Private Limited (DFPL). DFPL is engaged in the business of manufacturing, processing, exporting Instant coffee, Instant Chicory, Roasted and Ground Coffee, Coffee Substitutes and other allied coffee products including coffee seeds, tea.

DFPL requires additional funding to meet its working capital requirements, and proposes to utilize upto Rs. 663.00 lakhs to fund working capital requirements for the Financial year 2023-24. Set forth below are the details of DFPL's working capital as at March 31, 2022 and March 31, 2023.

Details of Estimation of Working Capital requirement are as follows:

Sr. No.	Particulars	Amount in Rs. Lakhs			
		31.03.2021 Audited	31.03.2022 Audited	31.03.2023 Audited	31.03.2024 Projected
<b>A.</b>	<b>Current Assets</b>				
	Inventories	903.59	1,163.41	1,136.98	912.50
	Trade receivables	668.66	783.38	739.40	641.67
	Short Term Loans & Advances	490.07	470.51	708.38	720.00
	Other Current Assets	-	-	-	-
	Cash and Bank Balance	157.51	142.75	142.34	150.00
	Current Investment	-	-	-	-
	<b>Total Current Assets</b>	<b>2,219.83</b>	<b>2,560.05</b>	<b>2,727.10</b>	<b>2,424.17</b>
<b>B.</b>	<b>Current Liabilities</b>				
	Trade payable	594.91	565.96	443.99	176.04
	Other current liabilities	151.18	198.13	220.69	225.00
	Short-term provisions	-	13.88	28.26	30.00
	<b>Total Current Liabilities</b>	<b>746.09</b>	<b>777.97</b>	<b>692.94</b>	<b>431.04</b>
<b>C.</b>	<b>Working Capital Gap (A-B)</b>	<b>1,473.74</b>	<b>1,782.08</b>	<b>2,034.16</b>	<b>1,993.13</b>
<b>D.</b>	<b>Existing Working Capital Limits</b>	<b>1286.85</b>	<b>1,167.18</b>	<b>1,080.19</b>	<b>1,000.00</b>
<b>E.</b>	<b>Working Capital funding through Issue Proceeds</b>	-	-	-	<b>663.00</b>
<b>F.</b>	<b>Working Capital funding through Internal Accruals/ Borrowings</b>	-	-	-	<b>330.13</b>

### Assumption for Working Capital Requirement

Assumptions for holding level (Days)



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Particulars	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Inventory	145	312	267	90
Trade Receivable	107	210	173	60
Trade Payable	141	223	173	30

### Justification of Holding Level of last 3 years and estimated for FY 24:

Sr.No.	Particulars	Assumptions
<b>Current Assets</b>		
1	Revenues from operations:	The revenues from operations from FY 2022 to FY 2023 have increased by 14.39% and the revenues from operations from FY 2021 to FY 2022 decreased by 40.25% due to covid 19. However, going forward we have estimated the rationalization in increase our revenues by utilizing the existing plant capacity.
2	Inventories:	The raw materials of the company which is Chicory roots seasonal in nature hence we need to keep the stocks of raw materials for a longer period and moreover the finished goods also we need keep for longer period. We have estimated 3 Months stocks holding level for the FY24 (Raw materials -2.5 Months and Finished Goods-1/2 Month).
3	Trade receivables	We have assumed the Trade Receivable holding period level of around 60 days in financial year 2023-24 since our main business is export of instant coffee to various countries. Our terms of payment majorly Documents against payment (DP) , basically the holding period is transit time of the export shipments from our factory to reach the customer destination ports.
4	Other current assets including other financial assets.	The key items under this head are advance to suppliers, staff, other advances, security deposit with statutory authorities, Balances of taxes with Government authorities, prepaid expenses etc.
<b>Current Liabilities</b>		
5	Trade payables	In previous financial years from 2020-21 to 2022-23, Our payable's credit period was around 130 to 150 days, Our company will strive to adhere to stricter credit policy to achieve better and favorable pricing terms and to ensure continued relations with the existing suppliers. By making early payments to the suppliers (i.e. availing lower credit periods), the company shall be able to get competitive prices which would result in a reduction in the cost as a percentage of sales thereby increasing the profitability of the Company. Thus, the Company has estimated lower credit period of around 30 days in a FY 2023-24 which would in turn help in reducing the cost of sales and improve profitability margins.
6	Other current liabilities	Other current liabilities include provisions, statutory dues, expenses payable etc.

### Justification for utilization of Working Capital requirement for financial year 2023-24:

We have estimated Rs. 32.50 Crores turnover during the Financial Year 2023-24 & Calculated the Working capital requirement as per standard holding levels of the industry and the Company. Accordingly, the company needs additional working capital funds to achieve the estimated turnover.



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We will determine the form of investment for the abovementioned investment in DFPL, i.e., whether they will involve equity, debt or any other instrument or combination thereof. At this stage, our Company cannot determine whether the form of investment will be equity, debt or any other instrument or combination thereof. Our Subsidiaries do not have any stated dividend policy and our Company cannot be assured of any dividends from it. Our Company will remain interested in our Subsidiaries, and will derive benefits from it, to the extent of our direct or indirect shareholding in it, or as a lender if funds are deployed in the form of debt. *For details, see "Risk Factors on page 24.*

### 3. TO MAKE ACQUISITIONS OF BUSINESSES IN SIMILAR OR COMPLEMENTARY SPACE

Speed of growth is always vital to leveraging opportunities to their fullest. The fields of coffee and beverages have been rapidly changing and growing in the recent past. The Company management is actively working to identify acquisition targets that will further enhance or complement our ability to service our customers. A potential acquisition will give us the ability to bring additional offerings to our customers - hence take a bigger share of their wallet - and/ or enable us reach a new set of customers rapidly.

While companies working in the coffee items and beverages are obvious candidates for acquisition, following are some additional areas that are complementary, and go together with our current offerings. Companies working in these areas therefore become acquisition targets of interest to us:

1. Coffee products
2. Coffee beverages
3. Varieties of tea / Coffee and its processing

In compliance with the SEBI ICDR Regulations towards making an acquisition, the company envisages to utilize upto Rs. 400 Lakhs out of the issue proceeds towards making an acquisition. This is going to be very vital for the company to grow rapidly in the coming years.

### 4. TO FINANCE THE GENERAL CORPORATE PURPOSE

The Net Proceeds will first be utilized towards the Objects set out above, as well as meeting the Issue-related expenses. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds of Rs. 1000.14 Lacs towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time. We confirm that utilization for general corporate purposes will not exceed 25% of the Gross Proceeds of the Issue.

Such general corporate purposes may include, but are not restricted to, the following:

- Strategic initiatives, including investments or acquisitions, from time to time;
- Brand building, promotional and outreach activities;
- Strengthening our infrastructure and systems and processes, in-house training initiatives, etc.;
- Repayment of present or future loans;
- Research and Development;
- Ongoing general corporate purposes or exigencies, as approved by the Board, subject to compliance with applicable law.

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





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### 5. ISSUE RELATED EXPENSES

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. 25.00 Lakhs.

Particulars	Amount (Rs. in Lacs)	% of Total Issue Expenses	% of Total Issue Size
Issue management fees, brokerages, Payment to other intermediaries such as Registrars etc.	10.00	40.00	0.24
Advertisement & Marketing Expenses, Printing & Stationery, Distribution, Postage, etc.	8.00	32.00	0.19
Regulatory & other expenses	7.00	28.00	0.17
<b>Total</b>	<b>25.00</b>	<b>100.00</b>	<b>0.60</b>

### Details of funds already deployed till date and sources of funds deployed

The funds deployed up to 15<sup>th</sup> May, 2023 pursuant to the object of this Issue as certified by the Auditors of our Company, viz. M/s. S. Bhalotia & Associates, Chartered Accountants pursuant to their certificate dated 18<sup>th</sup> May, 2023 is given below:

Deployment of funds	Amount (Rs. In Lakhs)
Issue Related Expenses	2.50
Object Related Expenses	-
<b>Total</b>	<b>2.50</b>

Sources of funds	Amount (Rs. In Lakhs)
Internal Accruals	2.50
Bank Finance	-
<b>Total</b>	<b>2.50</b>

### BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds.

### APPRAISAL BY APPRAISING AGENCY

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization.

### 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 Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Issue



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

### **MONITORING UTILIZATION OF FUNDS**

As the size of the Issue does not exceed Rs. 10,000 lakhs, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a Quarterly yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year.

Further, in accordance with Regulation 32(1) (a) of the Listing Regulations our Company shall furnish to the Stock Exchanges on a Quarterly basis, a statement indicating material deviations, if any, in the utilization of the Issue Proceeds for the objects stated in this Letter of offer.

### **CONFIRMATION REGARDING PURCHASE OF SECOND-HAND EQUIPMENT AND MACHINERY**

No second-hand equipment and machinery is proposed to be purchased by our Company from the Net Proceeds.

### **OTHER CONFIRMATIONS**

Except as disclosed in this Letter of offer, no part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, associates or Key Management Personnel, except as stated above and in the normal course of business and in compliance with applicable.



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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### STATEMENT OF SPECIAL TAX BENEFITS

#### STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS AS PER THE CERTIFICATE ISSUED BY STATUTORY AUDITORS OF THE COMPANY

To,  
The Board of Directors,  
Vintage Coffee and Beverages Limited  
202, Oxford Plaza, 9-1-129/1, Sd Road Secunderabad Hyderabad TG 500003

Dear Sirs,

**Subject: Proposed Rights Issue of equity shares with a Face value of Rs. 10/- each by Vintage Coffee and Beverages Limited (the "Company") (the "Issue")**

We hereby confirm that the enclosed statement states the possible special direct tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ("Act") as amended from time to time, presently in force in India. 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 tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfill.

This statement is only intended to provide general information to the investors and hence 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 rights issue of equity shares of the Company 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. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

The contents of the enclosed statement are based on the information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company. We do not express any opinion or provide any assurance as to whether:

- i) the Company or its shareholders will continue to obtain these benefits in future; or
- ii) the conditions prescribed for availing the benefits have been/would be met with

This statement is intended solely for information and for inclusion in the Letter of Offer in relation to the Issue of equity shares of the Company and is not to be used, circulated or referred to for any other purpose without our prior written consent. Our views are based on the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time.

We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

For M/s. S. Bhalotia & Associates  
Chartered Accountants  
Firm Registration No.: 325040E

Sd/-

CA Binod Kumar Sahoo  
Partner

M. No. 305406

Date: 18<sup>th</sup> May, 2023

Place: Hyderabad



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**VINTAGE COFFEE AND BEVERAGES LIMITED**

(CIN- L15100TG1980PLC161210)

**Annexure**

**ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

I Special Tax Benefits available to the Company under the Act:

There are no special tax benefits available to the Company.

II. Special Tax Benefits available to the Shareholders under the Act:

There are no special tax benefits available for the shareholders of the Company under the provisions of the Act.

**For M/s. S. Bhalotia & Associates**

**Chartered Accountants**

**Firm Registration No.: 325040E**

**Sd/-**

**CA Binod Kumar Sahoo**

**Partner**

**M. No. 305406**

**Date: 18<sup>th</sup> May, 2023**

**Place: Hyderabad**



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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### SECTION V: ABOUT OUR COMPANY

#### OUR INDUSTRY

*The information contained in 'Industry Overview' in this section is derived from publicly available sources. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

*Shareholders should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, shareholders should read this entire Letter of Offer, including the information in the sections "Risk Factors" and "Financial Information" on pages 24 and 106, respectively of this Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 24 of this Letter of Offer.*

#### GLOBAL PROSPECTS AND POLICIES

*A tentative recovery in 2021 has been followed by increasingly gloomy developments in 2022 as risks began to materialize. Global output contracted in the second quarter of this year, owing to downturns in China and Russia, while US consumer spending undershot expectations. Several shocks have hit a world economy already weakened by the pandemic: higher-than-expected inflation worldwide--especially in the United States and major European economies--triggering tighter financial conditions; a worse-than-anticipated slowdown in China, reflecting COVID- 19 outbreaks and lockdowns; and further negative spillovers from the war in Ukraine.*

*The baseline forecast is for growth to slow from 6.1 percent last year to 3.2 percent in 2022, 0.4 percentage point lower than in the April 2022 World Economic Outlook. Lower growth earlier this year, reduced household purchasing power, and tighter monetary policy drove a downward revision of 1.4 percentage points in the United States. In China, further lockdowns and the deepening real estate crisis have led growth to be revised down by 1.1 percentage points, with major global spillovers. And in Europe, significant downgrades reflect spillovers from the war in Ukraine and tighter monetary policy. Global inflation has been revised up due to food and energy prices as well as lingering supply-demand imbalances, and it is anticipated to reach 6.6 percent in advanced economies and 9.5 percent in emerging market and developing economies this year--upward revisions of 0.9 and 0.8 percentage point, respectively. In 2023, disinflationary monetary policy is expected to bite, with global output growing by just 2.9 percent.*

*The risks to the outlook are overwhelmingly tilted to the downside. The war in Ukraine could lead to a sudden stop of European gas imports from Russia; inflation could be harder to bring down than anticipated either if labor markets are tighter than expected or inflation expectations unanchor; tighter global financial conditions could induce debt distress in emerging market and developing economies; renewed COVID-19 outbreaks and lockdowns as well as a further escalation of the property sector crisis might further suppress Chinese growth; and geopolitical fragmentation could impede global trade and cooperation. A plausible alternative scenario in which risks materialize, inflation rises further, and global growth declines to about 2.6 percent and 2.0 percent in 2022 and 2023, respectively, would put growth in the bottom 10 percent of outcomes since 1970.*

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*With increasing prices continuing to squeeze living standards worldwide, taming inflation should be the first priority for policymakers. Tighter monetary policy will inevitably have real economic costs, but delay will only exacerbate them. Targeted fiscal support can help cushion the impact on the most vulnerable, but with government budgets stretched by the pandemic and the need for a disinflationary overall macroeconomic policy stance, such policies will need to be offset by increased taxes or lower government spending. Tighter monetary conditions will also affect financial stability, requiring judicious use of macroprudential tools and making reforms to debt resolution frameworks all the more necessary. Policies to address specific impacts on energy and food prices should focus on those most affected without distorting prices. And as the pandemic continues, vaccination rates must rise to guard against future variants. Finally, mitigating climate change continues to require urgent multilateral action to limit emissions and raise investments to hasten the green transition.*

### *Global slowdown intensifies as downside risks materialize.*

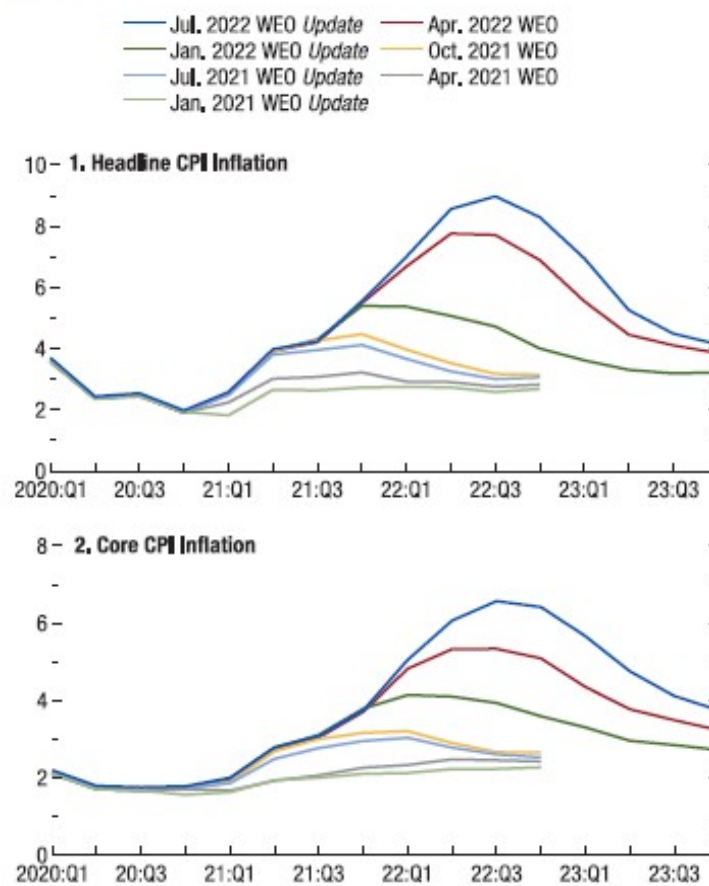
A tentative recovery in 2021 has been followed by increasingly gloomy developments in 2022. Performance was slightly better than expected in the first quarter, but world real GDP is estimated to have shrunk in the second quarter—the first contraction since 2020—owing to economic downturns in China and Russia. Downside risks discussed in the April 2022 *World Economic Outlook* are materializing, with higher inflation worldwide, especially in the United States and major European economies, triggering a sharp tightening in global financial conditions; a sharper-than-anticipated slowdown in China, reflecting COVID-19 outbreaks and lockdowns; and further negative cross-border effects from the war in Ukraine.

### *Global inflation again surprises on the upside, prompting more central bank tightening.*

Since 2021, consumer prices have consistently risen faster than widely expected, including in the *World Economic Outlook* (Figure 1). In the United States, the consumer price index rose by 9.1 percent in June, compared with a year earlier, and it also rose by 9.1 percent in the United Kingdom in May—the highest

inflation rates in these two countries in 40 years. In the euro area, inflation in June reached 8.6 percent, its highest level since the inception of the monetary union. Equally concerning, in emerging market and developing economies, second-quarter inflation is estimated to have been 9.8 percent. Higher food and energy prices, supply constraints in many sectors, and a rebalancing of demand back

**Figure 1. Global Inflation Forecasts: Serial Upside Surprises**  
(Percent)



Source: IMF staff calculations.

Note: Global inflation is a weighted average of individual countries' numbers using GDP valued at purchasing power parity as weights. WEO = *World Economic Outlook*.



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toward services have in most economies driven up headline inflation. But underlying inflation has also increased, as reflected in different gauges of core inflation, reflecting the pass-through of cost pressures by way of supply chains and tight labor markets, especially in advanced economies.<sup>1</sup> Wage growth has on average not kept up with inflation across both advanced and emerging market and developing economies, eroding household purchasing power. Although long-term inflation expectations have been stable in most major economies, they have started to rise according to some measures, including in the United States (Figure 2). In response to incoming data, central banks of major advanced economies are withdrawing monetary support more assertively and raising policy interest rates faster than expected in the April 2022 *World Economic Outlook*. Central banks in several emerging market and developing economies have raised interest rates more aggressively than during past advanced economy tightening cycles. The associated rise in longer-term borrowing costs, including mortgage rates, and tighter global financial conditions (see box) have led to precipitous declines in equity prices, weighing on growth. At the same time, public COVID-19 support packages have been wound down.

**Global growth:** In the baseline scenario, global growth is 3.2 percent in 2022 and moderates to 2.9 percent in 2023, lower than projected in the April 2022 *World Economic Outlook* by 0.4 and 0.7 percentage point, respectively (Table 1). In a number of cases, a better-than-expected growth outcome in the first quarter of 2022 offsets the subsequent slowdown, resulting in a relatively modest net negative revision for average annual growth in 2022. Downgrades for China and the United States, as well as for India, are driving the downward revisions to global growth during 2022-23, which reflect the materialization of downside risks highlighted in the April 2022 *World Economic Outlook*: a sharper slowdown in China due to extended lockdowns, tightening global financial conditions associated with expectations of steeper interest rate hikes by major central banks to ease inflation pressure, and spillovers from the war in Ukraine. With growth near 3 percent in 2022-23, a decline in global GDP or in global GDP per capita—sometimes associated with global recession—is not currently part of the baseline scenario. However, projections for growth on a fourth-quarter-over-fourth-quarter basis point to a significant weakening of activity in the second half of 2022 (Table 1). While the revisions are mostly negative for advanced economies, differing exposures to the underlying developments mean that those for emerging market and developing economies are more mixed:

As noted, growth revisions for major advanced economies in 2022-23 are generally negative. Baseline growth in the United States is revised down by 1.4 percentage points and 1.3 percentage points in 2022 and 2023, respectively, reflecting weaker-than-expected growth in the first two quarters of 2022, with significantly less momentum in private consumption, in part reflecting the erosion of household purchasing power and the expected impact of a steeper tightening in monetary policy. Growth in the euro area is also revised down: by 0.2 percentage point in 2022, when improved prospects for tourism and industrial activity in Italy are more than offset by significant downgrades in France, Germany, and Spain; and by 1.1 percentage point in 2023.

This reflects spillovers from the war in Ukraine as well as the assumption of tighter financial conditions, with the European Central Bank ending net asset purchases and raising rates in July 2022 for the first time since 2011. In a number of European economies, NextGenerationEU funds are supporting economic activity.

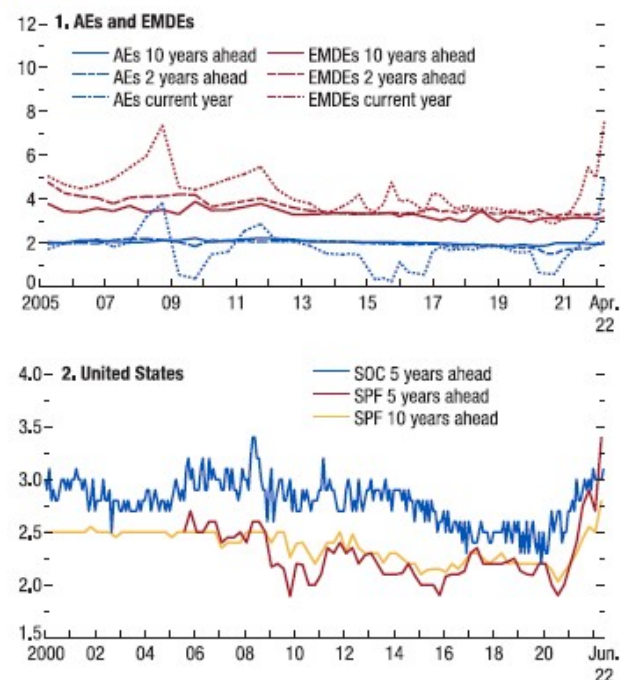
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For emerging market and developing economies, the negative revisions to growth in 2022-23 reflect mainly the sharp slowdown of China's economy and the moderation in India's economic growth. The revision in emerging and developing Asia is correspondingly large, at 0.8 percentage point in the baseline for 2022. This revision includes a 1.1 percentage point downgrade to growth in China, to 3.3 percent (the lowest growth in more than four decades, excluding the initial COVID-19 crisis in 2020), owing primarily to the aforementioned COVID-19 outbreaks and lockdowns. Likewise, the outlook for India has been revised down by 0.8 percentage point, to 7.4 percent. For India, the revision reflects mainly less favorable external conditions and more rapid policy tightening. Elsewhere, growth revisions in the baseline have been mostly on the upside. Real GDP for emerging and developing Europe is expected to shrink by 1.5 percentage points less in 2022 than predicted in the April 2022 World Economic Outlook but grow by 0.4 percentage point less in 2023, on the back of stronger-than-expected Russian export growth in 2022 and the recently announced additional sanctions on Russia in 2023. Latin America and the Caribbean has also seen an upward revision of 0.5 percentage point in 2022 as a result of a more robust recovery in the large economies (Brazil, Mexico, Colombia, Chile).. The outlooks for countries in the Middle East and Central Asia and sub-Saharan Africa remain on average unchanged or positive, reflecting the effects of elevated fossil fuel and metal prices for some commodity-exporting countries.

**Inflation:** The baseline projection for global inflation is also more pessimistic, having been revised up to 8.3 percent in 2022 on a fourth-quarter-over-fourth-quarter basis, from 6.9 percent in the April 2022 World Economic Outlook. The upside inflation revision in 2022 is larger for advanced economies, where it is expected to reach 6.3 percent from 4.8 percent projected in the April 2022 World Economic Outlook on a fourth-quarter-over-fourth-quarter basis, driven by significant increases in headline inflation among such major economies as the United Kingdom (a 2.7 percentage point upward revision to 10.5 percent) and the euro area (a 2.9 percentage point upward revision to 7.3 percent). Forecasts for 2023 are relatively unchanged--up by only 0.2 percentage point on a fourth-quarter-over-fourth-quarter basis--reflecting confidence that inflation will decline as central banks tighten policies and energy price base effects turn negative. For emerging market and developing economies, inflation in 2022 is expected to reach 10.0 percent on a fourth-quarter-over-fourth-quarter basis. Revisions for those economies display greater variation across countries, with relatively modest increases in emerging and developing Asia (partly because of a slowdown of activity in China and limited increases in prices of staple foods) but larger revisions for Latin America and the Caribbean (up by 3.0 percentage points) and for emerging and developing Europe (up by 2.9 percentage points).

**Figure 2. Longer-Term Inflation Expectations (Percent)**



Sources: Consensus Economics; Federal Reserve Bank of Philadelphia; University of Michigan; and IMF staff calculations.

Note: Panel 1 shows median consensus forecasts for respective groups of economies. Consensus Economics forecasts are current year consumer price index inflation forecasts and 2-year-ahead inflation forecasts; for 10-year expectations, they are averages over the 6- to 10-year-ahead horizon. The SOC 5-year-ahead expectations are the average inflation expectations over the following 5 to 10 years. The SPF longer-term forecasts are for the annual averages of inflation over the following 5 and 10 years, respectively. AEs = advanced economies; EMDEs = emerging market and developing economies; SOC = surveys of consumers; SPF = survey of professional forecasters.





## VINTAGE COFFEE AND BEVERAGES LIMITED

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**Table 1. Overview of the World Economic Outlook Projections**  
(Percent change, unless noted otherwise)

	Year over Year								
	2020	2021	Projections		Difference from April 2022 WEO		Q4 over Q4 2/		
			2022	2023	Projections 1/	2022	2023	2021	2022
<b>World Output</b>	-3.1	6.1	3.2	2.9	-0.4	-0.7	4.4	1.7	3.2
<b>Advanced Economies</b>	-4.5	5.2	2.5	1.4	-0.8	-1.0	4.7	1.3	1.5
United States	-3.4	5.7	2.3	1.0	-1.4	-1.3	5.5	1.0	0.6
Euro Area	-6.3	5.4	2.6	1.2	-0.2	-1.1	4.7	0.7	2.1
Germany	-4.6	2.9	1.2	0.8	-0.9	-1.9	1.8	0.5	1.5
France	-7.9	6.8	2.3	1.0	-0.6	-0.4	4.9	0.4	1.1
Italy	-9.0	6.6	3.0	0.7	0.7	-1.0	6.4	0.6	1.6
Spain	-10.8	5.1	4.0	2.0	-0.8	-1.3	5.5	1.3	2.3
Japan	-4.5	1.7	1.7	1.7	-0.7	-0.6	0.4	2.4	0.6
United Kingdom	-9.3	7.4	3.2	0.5	-0.5	-0.7	6.6	0.1	1.3
Canada	-5.2	4.5	3.4	1.8	-0.5	-1.0	3.2	2.5	1.7
Other Advanced Economies 3/	-1.8	5.1	2.9	2.7	-0.2	-0.3	4.6	2.0	2.8
<b>Emerging Market and Developing Economies</b>	-2.0	6.8	3.6	3.9	-0.2	-0.5	4.2	2.1	4.7
Emerging and Developing Asia	-0.8	7.3	4.6	5.0	-0.8	-0.6	3.8	4.0	4.7
China	2.2	8.1	3.3	4.6	-1.1	-0.5	3.5	4.1	3.2
India 4/	-6.6	8.7	7.4	6.1	-0.8	-0.8	3.9	4.1	7.2
ASEAN-5 5/	-3.4	3.4	5.3	5.1	0.0	-0.8	4.7	3.4	6.1
Emerging and Developing Europe	-1.8	6.7	-1.4	0.9	1.5	-0.4	6.1	-7.0	7.7
Russia	-2.7	4.7	-6.0	-3.5	2.5	-1.2	4.8	-13.9	4.8
Latin America and the Caribbean	-6.9	6.9	3.0	2.0	0.5	-0.5	3.9	1.8	2.1
Brazil	-3.9	4.6	1.7	1.1	0.9	-0.3	1.6	1.5	1.5
Mexico	-8.1	4.8	2.4	1.2	0.4	-1.3	1.2	2.9	1.0
Middle East and Central Asia	-2.9	5.8	4.8	3.5	0.2	-0.2	...	...	...
Saudi Arabia	-4.1	3.2	7.6	3.7	0.0	0.1	6.7	6.9	3.7
Sub-Saharan Africa	-1.6	4.6	3.8	4.0	0.0	0.0	...	...	...
Nigeria	-1.8	3.6	3.4	3.2	0.0	0.1	2.4	2.1	2.3
South Africa	-6.3	4.9	2.3	1.4	0.4	0.0	1.8	2.2	1.7
<b>Memorandum</b>									
World Growth Based on Market Exchange Rates	-3.4	5.8	2.9	2.4	-0.6	-0.7	4.4	1.6	2.5
European Union	-5.8	5.4	2.8	1.6	-0.1	-0.9	4.9	0.9	2.8
Middle East and North Africa	-3.4	5.8	4.9	3.4	-0.1	-0.2	...	...	...
Emerging Market and Middle-Income Economies	-2.2	7.0	3.5	3.8	-0.3	-0.5	4.3	2.0	4.7
Low-Income Developing Countries	0.1	4.5	5.0	5.2	0.4	-0.2	...	...	...
<b>World Trade Volume (goods and services) 6/</b>	-7.9	10.1	4.1	3.2	-0.9	-1.2	...	...	...
Advanced Economies	-8.8	9.1	5.3	3.2	-0.3	-1.4	...	...	...
Emerging Market and Developing Economies	-6.2	11.7	2.2	3.3	-1.8	-0.9	...	...	...
<b>Commodity Prices (US dollars)</b>									
Oil 7/	-32.7	67.3	50.4	-12.3	-4.3	1.0	79.2	28.6	-13.4
Nonfuel (average based on world commodity import weights)	6.7	26.1	10.1	-3.5	-1.3	-1.0	16.4	5.7	-0.6
<b>World Consumer Prices 8/</b>	3.2	4.7	8.3	5.7	0.9	0.9	5.6	8.3	4.1
Advanced Economies 9/	0.7	3.1	6.6	3.3	0.9	0.8	4.9	6.3	2.3
Emerging Market and Developing Economies 8/	5.2	5.9	9.5	7.3	0.8	0.8	6.1	10.0	5.7

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during May 30, 2022–June 27, 2022. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = World Economic Outlook.  
 1/ Difference based on rounded figures for the current and April 2022 WEO forecasts. Countries whose forecasts have been updated relative to April 2022 WEO forecasts account for approximately 90 percent of world GDP measured at purchasing-power-parity weights.  
 2/ For World Output (Emerging Market and Developing Economies), the quarterly estimates and projections account for approximately 90 percent (80 percent) of annual world (emerging market and developing economies) output at purchasing-power-parity weights.  
 3/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.  
 4/ For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.  
 5/ Indonesia, Malaysia, Philippines, Thailand, Vietnam.  
 6/ Simple average of growth rates for export and import volumes (goods and services).  
 7/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average price of oil in US dollars a barrel was \$69.07 in 2021; the assumed price, based on futures markets (as of June 29, 2022), is \$103.88 in 2022 and \$91.07 in 2023.  
 8/ Excludes Venezuela.  
 9/ The inflation rate for the euro area is 7.3% in 2022 and 3.9% in 2023, that for Japan is 1.9% in 2022 and 1.3% in 2023, and that for the United States is 7.7% in 2022 and 3.0% in 2023, respectively.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2022/07/26/world-economic-outlook-update-july-2022>)

## Indian Economy Overview

### Introduction

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022-23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022-2023. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.



## VINTAGE COFFEE AND BEVERAGES LIMITED

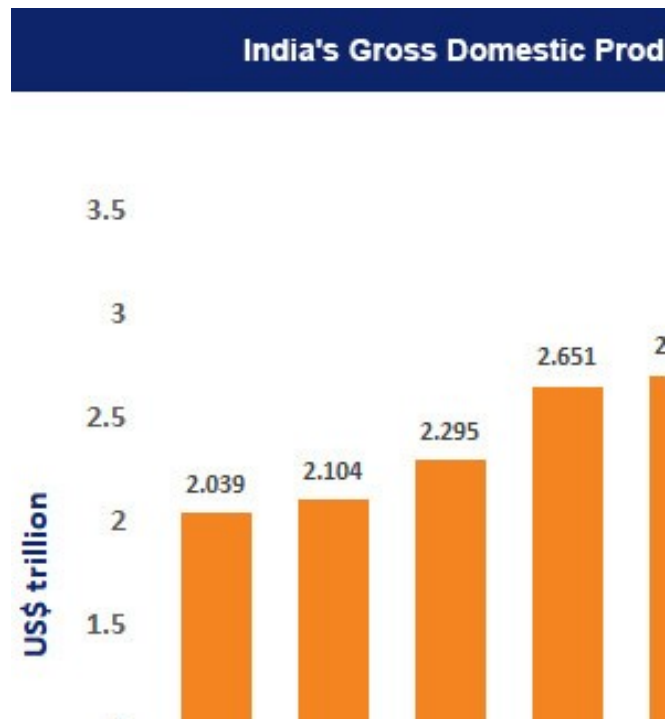
(CIN- L15100TG1980PLC161210)

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-September 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

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

### Market size

- India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030.
- According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23.
- Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030.





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## VINTAGE COFFEE AND BEVERAGES LIMITED

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### Recent Development

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

Recent economic developments in India are as follows:

- As of September 21, 2022, India's foreign exchange reserves stood at US\$ 524,520 million.
- The private equity-venture capital (PE-VC) sector investments stood at US\$ 2 billion in September 2022.
- Merchandise exports in September 2022 stood at US\$ 32.62 billion.
- PMI Services remained comfortably in the expansionary zone at 56.7 during April-September 2022
- In September 2022, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 147,686 crore (US\$ 17.92 billion).
- Between April 2000-June 2022, cumulative FDI equity inflows to India stood at US\$ 604,996 million.
- In August 2022, the overall IIP (Index of Industrial Production) stood at 131.3. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 99.6, 131.0 and 191.3, respectively, in August 2022.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 7.41% in September 2022.
- In FY 2022-23, (until October 28, 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 58,762 crore (US\$ 7.13 billion).
- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of Rs. 2.37 lakh crore (US\$ 31.74 billion) to their accounts.

### Government Initiatives

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



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- Home & Cooperation Minister Mr. Amit Shah, laid the foundation stone and performed Bhoomi Pujan of Shri Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by the Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for the IT companies and start-ups in both the countries.
- India and Namibia entered into a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly-developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on 11 July 2022.
- In June 2022:
  - Prime Minister Mr. Narendra Modi, laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the groundbreaking ceremony of the UP Investors Summit in Lucknow.
  - The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, Handloom & Textiles.



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- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of biocapsule, an encapsulation technology for bio-fertilization on 30 June, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 lakh crore (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100



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crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).

- Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 lakh crore (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23; it is expected to raise Rs. 4 lakh crore (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.



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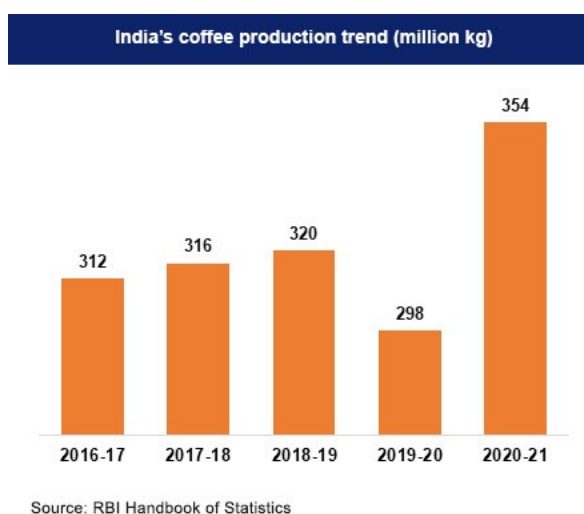
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

(Source: [www.ibef.org](http://www.ibef.org))

### COFFEE INDUSTRY OVERVIEW

#### INTRODUCTION

India is among the top 10 coffee-producing countries, with about 3% of the global output in 2020. Indian coffee is one of the best coffees in the world due to its high quality and gets a high premium in the international markets. India produces two types of coffee: Arabica and Robusta. Arabica has high market value than Robusta coffee due to its mild aromatic flavor. Robusta coffee is mainly used in making various blends due to its strong flavor. Robusta is the majorly manufactured coffee with a share of 72% of the total production. The industry provides direct employment to more than 2 million people in India. Since coffee is mainly an export commodity for India, domestic demand and consumption do not drastically impact the prices of coffee.



Coffee is largely produced in the southern part of India. Karnataka is the largest producer accounting for about 70% of the total coffee production in India. Kerala is the second-largest producer of coffee but lags far behind, accounting only for about 23% of the total production. Tamil Nadu is the third-largest producer, where India's 6% of the coffee is produced. Nearly half of Tamil Nadu's coffee is made in the Nilgiri district, a major Arabica growing region. Orissa and the northeastern areas have a smaller proportion of production.

#### EXPORT TREND

Coffee is one of the world's most popular commodities, and as of 2020, the coffee market was valued at around US\$ 466 billion. India majorly exports Robusta coffee beans, a coffee bean species with low acidity and high bitterness compared to Arabica coffee. Apart from green coffee beans, preparations of coffee (31% of which is instant coffee) also have a significant share in India's export basket. Almost one-third of the country's total coffee exports constitute instant coffee. Over the past 10 years, until FY20, instant coffee has experienced a CAGR of 4%.

In recent years, India's specialty coffee has become a popular product, garnering interest from global coffee enthusiasts. Specialty coffee is distinguished by careful cultivation practices, a clear origin, a routine of plucking and special processing, branding, handling, and appearance.



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According to The Food and Agriculture Organization (FAO) statistics, India is the eighth largest exporter of coffee by volume. Indian coffee exports display a seasonality, with exports peaking from March to June. The country exports over 70% of its production. In 2021-22, the total exports recorded a 42% rise to US\$ 1.04 billion from the previous year. In March 2022, exports of coffee were valued at US\$ 114.7 million, a 22% growth from February 2022. In FY23 (until September 2022), export of coffee stood at US\$ 610.23 million, a 32.54% rise as compared to the same period previous year. This strong growth in the export of coffee has improved realizations for coffee growers in key states like Karnataka, Kerala, and Tamil Nadu.

India's coffee export trend (US\$ million)

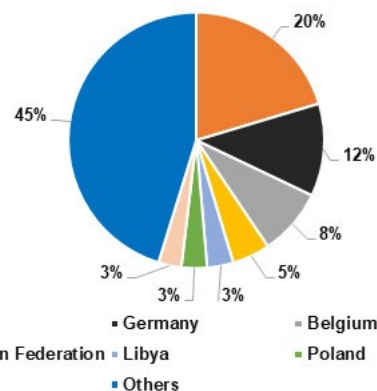


Source: RBI Handbook of Statistics

### TOP EXPORT DESTINATIONS

India exports coffee to more than 50 countries around the world. Italy, Germany, Belgium, and the Russian Federation are the largest importers of coffee from India, with an average total share of about 45%. The other coffee importing countries are Libya, Poland, Jordan, Malaysia, the US, Slovenia, and Australia.

Country-wise import share of Indian coffee (2020-21)



Source: Coffee Board of India

Italy, India's largest export market, accounts for 20% of bean coffee exports. Europe, where people prefer the more bitter and stronger flavors of the Robusta blend, makes up 42% of India's exports. Arabica coffee blend has high demand from the Middle East region, which can be traced back to the Arabia regions. In 2019-20, Russia, Poland, USA, Turkey, and Malaysia imported coffee preparations produced in India, worth close to US\$ 141 million.

Also, the Government of Japan's assurance to purchase all the coffee produced in the Manipur state will drive mass-scale coffee production in areas like Chandel, Litan, and Nongmaiching Hills, which were once regarded unsuitable for coffee production.

India's exports of green coffee beans to Germany saw a 5% CAGR during the 2015-19 period. Indian exporters continue focusing on building a significant market share in Poland and the USA for instant coffee. India is the third-largest exporter of coffee to Poland, while coffee preparations exported to the USA grew at a 9% CAGR.

### GOVERNMENT INITIATIVES

The Government of India took the initiative to provide subsidies to the farmers between US\$ 2,500-US\$ 3,500 per hectare for developing coffee in the traditional areas. Additional assistance for water augmentation, equipment, marketing, and promotion is also provided under the schemes. The government also supports the non-traditional coffee-growing regions under Coffee Development Programmes (CDP). Additionally, in accordance with the national policy of tribal development, coffee cultivation is being encouraged in non-traditional areas such as Andhra Pradesh, Orissa, Maharashtra,





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the northeastern states, and Andaman and the Nicobar Islands. Under various export promotion initiatives, transit and freight assistance are provided to help maximize export earnings.

### **Export Promotion scheme - Providing Export incentive**

The scheme aims to maximize export earnings by enhancing the market share of value-added coffees and high-value differentiated coffees in important high-value international markets. The government provides an export incentive of Rs. 2/- per kg. for exporting high-value green coffees to high-value markets such as the USA, Canada, Japan, Australia, New Zealand, South Korea, Finland, and Norway. There is also an incentive of Rs. 3/- per kg. for export of value-added coffees in retail consumer packs exported as “India Brand” calculated on the green coffee utilized for preparation at the maximum rate of 2.6 kg for instant/soluble coffee and 1.19 kgs for Roasted coffee seeds and R & G Coffees.

(Source: [www.ibef.org](http://www.ibef.org))



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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### 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 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 section titled “Risk Factors” on page 24, for a discussion of the risks and uncertainties related to those statements, as well as “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 106 and 109, 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 originally incorporated as “Spaceage Products Private Limited” a private limited company vide a certificate of incorporation dated April 25, 1980, issued by the Registrar of Companies, NCT of Delhi & Haryana, under the provisions of the Companies Act, 1956. Subsequently, our Company was converted into a public limited company, following which the name was changed to “Spaceage Products Limited” and a fresh certificate of incorporation was issued on July 21, 1981 by the Registrar of Companies, Delhi & Haryana. Subsequently, the name of our Company was changed to “Vintage Coffee and Beverages Limited” and a fresh certificate of incorporation consequent on change of name dated July 15, 2021, was issued by, the Registrar of Companies, Mumbai, Maharashtra.

Equity Shares of our Company is listed at BSE Limited.

Our Current promoters namely, Balakrishna Tati, Vishal Jethalia, Mohit Rathi, Padma Tati, Tati Sruti, Tati Sai Teja, T Venkateshwarlu, Tati Thulasi Dalaxi, Chin Corp Holding Pte Limited acquired the company from existing promoters during the financial year 2021-22.

We are a group of coffee professionals very passionate about coffee with a combined experience of over 100 years and have come together to create an instant coffee product which captures the essence of conventional coffee through sophisticated modern technology and delivers it in a convenient way as Instant coffee.

We are committed to deliver this promise by offering unparalleled customer service for which we have set a unique bench mark.

Our passion for Coffee has led us to delve deep into every aspect of Instant coffee manufacture. Choicest coffee beans from Arabica and Robusta grades are carefully selected to deliver the desired taste and technology brought in to capture wonderful aromas of coffee. The net result being creation of wonderful coffee experience right from buying to consuming, bringing great value to our customer.

We are engaged in our coffee business through our subsidiary, Vintage Coffee Private Limited (“VCPL”) and Delecto Foods Private Limited (“DFPL”). We operate a highly optimized and vertically integrated coffee business which ranges from procuring, processing and roasting of coffee beans to retailing of coffee products across various formats.

We believe our presence across the entire coffee value chain enables us to exercise effective control over our various segments within our coffee business, ensuring quality and consistency in the entire process from procurement, processing and roasting to consumption across multiple points targeting multiple consumer segments.



## VINTAGE COFFEE AND BEVERAGES LIMITED

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The factory located at Part Sy no 75,77,78,85,87,88, Rachur Village, Veldanda Mandal (Off Srisailem Highway), Nagarkunool Distt, Telangana PIN 509320. The total Land area is Approximately 23 Acres.

Vintage Coffee and Beverages Limited is having two Wholly owned subsidiary Companies	
VCPL	DFPL
Vintage Coffee Private Limited is engaged in the business of manufacturing, processing, exporting Instant coffee, Instant Chicory, Roasted and Ground Coffee, Coffee Substitutes and other allied coffee products including coffee seeds, tea.	Delecto Foods Private Limited is engaged in the business of manufacturing, and exporting of all kinds of Soluble Instant Chicory and Instant Coffee products including but not limited to Foods and Beverages and other allied activities.

### Our Vision:

- To become the top supplier of Soluble coffee in the industry by winning customer hearts.

### Our Mission:

- Systems and discipline at every level.
- Source high quality beans from various origins to give variety, rich taste and aroma to the customers.
- State of the art technology to produce high quality of coffee, meeting customer requirements
- Minimise costs to meet stakeholder expectations.
- Execute orders On Time in Full.
- Innovative products and packaging for continuous self-upgradation.
- World class quality assurance department to sustain consistency in quality.
- Ensure continuous efforts on cargo tracking.

### OUR KEY UNIQUE BUSINESS STRENGTHS ARE:

- 1) Organizational Stability:** Our Organization has been in this industry for long time which itself proves our ability to weather through economic and business cycles.
- 2) Experienced Promoters and a well trained employee base** - Our Promoters and Directors have been involved in the day- to- day business and management of our Company. We have a highly qualified, experienced, and dedicated management team and a skilled workforce. We believe that our management team's experience and their understanding of the our industry will enable us to continue to take advantage of both current and future market opportunities.
- 3) Improving functional efficiency** - Our Company intends to improve operating efficiency to achieve our revenue targets to have a competitive edge over the peers. We believe that this can be done through continuous process improvement, development and customer services.
- 4) Strong execution and implementation capabilities** - We have strong execution capabilities. Owing to our vast experience of our Management Team and having technologically advanced, we believe that we are in a position to meet the requirement needs of our targeted customers.



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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- 5) **Established brand and image-** We are engaged in providing services to our clients and over the years, we believe that we have established ourselves as a reliable brand in India wherein our clients trust us for our quality, consistency and continuous performance.

### OUR BUSINESS STRATEGIES:

- 1) **Expanding our Clientele Base:-** Our Company is strategizing to strengthen its cliental base. Our present customer base comprises of a large number of Overseas & Indian Companies/concerns. Our Company intends to grow business continuously by adding new customers.
- 2) **Leveraging our Market skills and Relationships:-** This is a continuous process in our organization and the skills that we impart in our people to give importance to customers. We aim to enhance the growth by leveraging our relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.
- 3) **Improving operational efficiencies:** Improving operational efficiencies is the key to success of any business. Our Company intends to improve efficiencies to achieve cost reductions so that they can be competitive. We believe that this can be done through domestic presence and economies of scale. Increasing our penetration in existing regions will enable us to penetrate into new catchment areas within these regions. As a result of these measures, our Company will be able to increase its market share and profitability.
- 4) **Develop client relations:** We plan to grow our business primarily by growing the number of client relationships and product offerings, as we believe that increased client relationships will add stability to our business. We aim to provide for fast and efficient execution of client requirements. Long-term relations are built on trust and continuous meeting with the requirements of the customers.
- 5) **Further Investing in technology/ Research and development:** Delivering the solution on time and in compliance with our customers' requirements has always been our priority; we strive to bank on it in future by investing time and money in research and development of more advanced level robotic machines. Technologically modern and advanced machines are a key factor in delivering the solution on time. By investing in technology, we aim to reduce the time of project execution timing.
- 6) **Continue to focus on providing quality service:** End user satisfaction in the industry is the epicentre of growth. Our goal is to provide better products to the customers and thereby build long-term sustainable business relationships with our customers to generate increasing revenues.
- 7) **Pursue strategic acquisitions:** In order to expand, we seek to identify acquisition targets and/or joint venture partners whose resources, capabilities, technologies and strategies are complementary to and are enabling us to establish our presence in new geographical locations.
- 8) **Brand Image:** We would continue to associate ourselves with corporate and quality customers and provide products to their utmost satisfaction. We are highly conscious about our brand image and intend to have our brand building exercise by providing quality products to the satisfaction of the customers.



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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### HEALTH, SAFETY AND ENVIRONMENT

We are committed to globally accepted best practices and compliance with applicable health, safety and environmental legislation and other requirements in our operations. In order to ensure effective implementation of our practices, we have implemented a safety, health and environment policy wherein we have committed to, inter alia, the maintenance of a safe workplace and providing the necessary training to employees in our workplace. We believe that we comply in all material respects with applicable occupational health and safety laws, regulations and other contractual requirements relevant to health and safety of employees and subcontractors at our project sites and manufacturing facilities.

### COMPETITION

We operate in a competitive retail landscape and face competition, especially from other retailers of coffee products and café operators in India. We believe that the principal factors affecting competition in the coffee retail sector include pricing, product and service quality, brand perception and taste and product variety. We believe that we distinguish ourselves from our competitors on the basis of strong branding and ownership of the same, high levels of customer service, good café locations, trendy café format, competitive pricing and a wide range of products. Furthermore, as we have operated in India for a significant period of time and possess knowledge of the local market, we believe it provides us with an additional competitive edge. In addition, some of our competitors are brands that have been licensed to certain companies in India and may be faced with certain restrictions such as the requirements of royalty payments, freedom and flexibility to take immediate business decisions for expanding product offerings or geographical expansion.

We carefully monitor the prices offered by our competitors and continuously adjust our pricing and promotions to maintain our competitiveness. In addition to price, we believe our ability to provide a high level of customer service gives us a key competitive advantage. We believe our dedicated and experienced employees, deep product and market knowledge, distinctive café formats and innovative marketing initiatives are important ways in which we maintain this advantage.

### SWOT ANALYSIS

#### Strengths

- Experienced Promoters
- Significant Reputation
- Low humidity/Dry climate
- Availability of water resources
- Good road transport
- Good connectivity to dry ports
- Availability of skilled manpower

#### Threats

- Operational Ineffectiveness
- Competitive Industry

#### Opportunities

- Utilisation of unutilised Manufacturing Facilities
- Targeting of untouched markets



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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### Weakness

- Dependency on procurement of materials;
- Unstable and Changing Market Demand.

### OUR PRODUCTS

#### SPRAY DRIED INSTANT COFFEE -

This is then Spray dried , coffee mixture which is now in a slush state is passed through nozzles into a hot air tower and collected as soluble powder. This spray during process allows larger scale economic production, shorter drying times, and because it produces fine, rounded particles.

Green coffee is roasted to perfection using state of the art Probat profile roaster which maps out a perfect roast taking into consideration the requirements of customer to bring out desired flavour and aroma.

Rotating cylinders containing the green beans and hot combustion gases are used in most roasting plants. When the bean temperature reaches 165 °C (329 °F) the roasting begins. It takes about 8-15 minutes to complete roasting.

After cooling, the beans are then ground finely. Grinding reduces the beans to 0.5-1.1-millimetre (0.020-0.043 in) pieces. This ground coffee is then then passed through extractors which uses water. Pressurized liquid water heated to around 175 °C (347 °F) is used for this process.

At this stage Aroma which is lost in high temperature is separated and captured separately.

The coffee concentration in the liquid is then increased by evaporation where soluble and volatile contents of the beans, which provide the coffee aroma and flavor, have to be extracted. At this stage the captured aroma is added back.

#### AGGLOMERATED INSTANT COFFEE-

To get over the drawback of spray dried coffee, which is the particles are too fine to be used effectively by the consumer, by a process of agglomeration , Spray dried coffee is fine ground and steam fused to bind the fine ground instant coffees into granules. This is marketed as a more soluble and attractive form of Instant coffee.

### INFRASTRUCTURE FACILITIES FOR UTILITIES LIKE ELECTRICITY WATER & POWER

#### Infrastructure Facilities

Our registered office is well equipped with computer systems, internet connectivity, other communications equipment, security, drainage, lighting, sanitation, emergency services and other facilities, which are required for our business operations to function smoothly.

#### VCPL - Factory Infrastructure:

1. Set up in 23 acres / 11 Hectares of Land located at Part Sy no 75,77,78,85,87,88, Rachur Village, Veldanda Mandal (Off Srisailam Highway), Nagarkunool Distt, Telangana PIN 509320.
2. Built up area of factory is 3,00,000 Sq. Ft.
3. The factory is installed with the world famous **Probat Roaster** from Brazil for delivering profile roasting through Hi -tech Turbo Roaster.



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4. Fully automated extraction system to capture rich aroma in the product and to deliver consistent quality.
5. More than 200,000 sq. ft storage facility to stock green coffee facilitates
6. Plant has flexibility to manufacture as per customers' requirements.
7. Plant Capacity is 18 MT/day ;4500 Metric Ton per annum.
8. The plant is that it has zero percent (0%) discharge and water recovery of 60%. The Company provides employment to around 250-300 people in the region, directly or indirectly.

### List of Plant and Machinery

#### Roaster

Vintage coffee is installed with a Roaster from Probat Leogap, Brazil - 4000 kg of green coffee per hour. The roaster uses LPG to run. They opted to use this over bio degradable components such as Wood.

Currently, Our company is using LOT system, where they have 21\*47.5kg cylinders from Indian Oil. They are going for Bulk System, where they will directly be using LPG Bullets.

#### Boiler

Our factory is installed with a multi-fuel boiler purchased from Thermax, which is the top company in India. The boiler has a steam capacity of 16 TPH with double-bed, which is their top capacity model for Fluidised Bed type boiler, which is generally used in this type of industry.

The Boiler can run on Rice Husk and/or Coal. They are currently operating on Rice Husk and Spent Coffee Grounds in a ratio of 70:30. This allows to decrease the husk consumption which is a direct power and fuel cost as well as allows to completely dispose the spent coffee inside the boiler itself. Coal is a back-up option They can use whenever rice husk availability becomes an issue.

The boiler is equipped with a multi-cyclone and bag filter for pollution control. This is the best available technology for pollution control in this capacity and ensures that the emissions are well inside Pollution Control Board (PCB) standards.

#### Extraction, Evaporation, Spray Drier and Agglomeration

The factory is installed with Extraction, Evaporation, Spray Drier and Agglomeration from SSP (India) with a production capacity of 750 kg of instant coffee per hour.

The extraction is comprising of 8 percolators with one of the best cycle times in the industry. The extraction blowdown is connected to a steam tube dryer for spent coffee, and they are using the ground spent in the boiler to reduce husk usage. The evaporation is connected to a double aroma recovery system, one of the best in industry, to make sure while increasing concentration, there is minimal loss of aroma, as aroma is one of the important components of instant coffee character.

The Spray Drier and Agglomeration are both housed in a 45m tower, with the optimum capacity of 750 kg of instant coffee per hour.

#### Packing Line

We currently packs instant Coffee in bulk can and exports to the clients. The instant coffee is stored in storage vessel with 600-1200 kgs capacity. The storage vessels are linked to the filling section. The bulk packing is done in poly liner bags with the capacity of 23 kgs. This again is packed in a carton.



## VINTAGE COFFEE AND BEVERAGES LIMITED

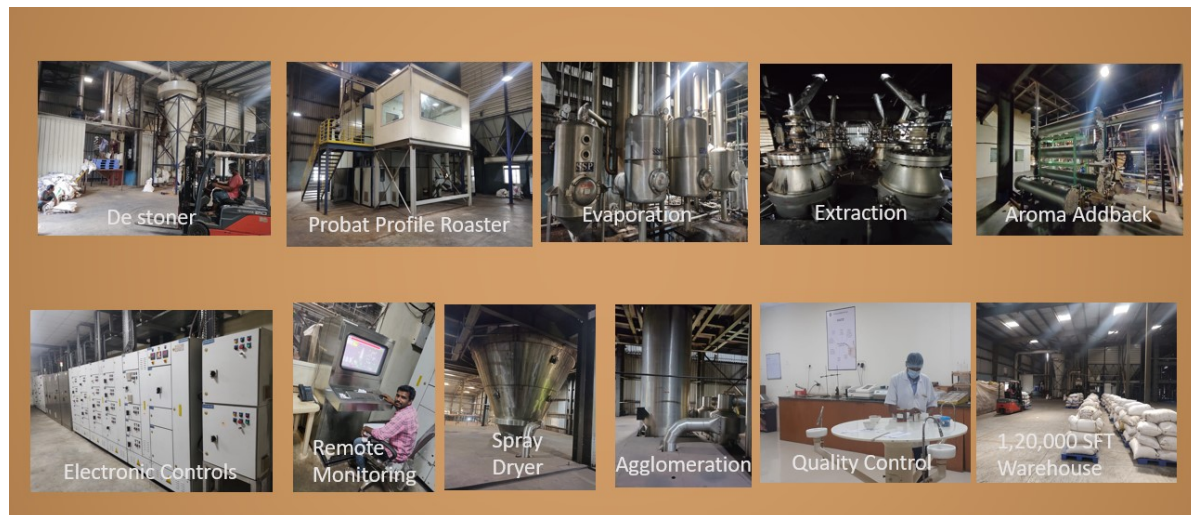
(CIN- L15100TG1980PLC161210)

We have installed a fully automatic can packing line from China, commissioned in 2018-19.

The Instant coffee exports have 40% quantity in cans as white label. Earlier, Our company was getting the cans packed at job workers premises through a job work agreement with a per can rate fixed. Since the new and sophisticated packing line installed at VCPL has given an edge for quality packing and increase in volumes and cost reduction.

The machine is fully automatic can pack and can pack comfortably 1 container per day. The packing line runs for 2 shifts to encourage also if needed can run 24 hours.

### Images of VCPL Plant Process:



### DFPL - Factory Infrastructure

- The Factory located at Sy no 58/3 & 58/4 Singayapally Village, Near Gowraram Village, Wargal Madam, Siddipet Dist., Telangana PIN 502279. The total Land area is Approximately 3 Acres.





## **VINTAGE COFFEE AND BEVERAGES LIMITED**

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- DFPL manufactures Instant Chicory and packs Chicory mixed Instant Coffee;
- The factory is installed with an Extraction, Evaporation and Spray Drier unit along with Boiler and ETP facilities.
- The packing facilities has capacity to pack 50 MT /pm -600 MT /year for value added products.
- The Plant has Capacity of 6 MT/day of Instant Chicory and 1,700 Metric Tons of Instant Chicory per annum.

### **Images of the Plant**



### **Raw Materials**

Our Company requires various coffee beans and other agricultural products that form a part of our raw materials.

### **Power**

We use DG sets apart from state electricity.

### **Water**

Water is available due to strategic locations of our plants.

### **Fuel**

We require fuels such as diesel for operation of DG Sets. We source the same through local vendors.

### **Export And Export Obligations**

As on date of this Letter of Offer, our Company does not have any export and export obligation.

### **Collaborations**

As on the date of this Letter of Offer, we have not entered into any technical or other collaboration arrangements.



## VINTAGE COFFEE AND BEVERAGES LIMITED

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### Human Resource

We believe our employees are one of our most important assets and critical to maintaining our competitive position in our industry. As on date of Letter of offer, we have 8 full time employees. We are in the process to include more talent into our company.

### Insurance

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

### Capacity and Capacity Utilization

Installed capacity of plant is 4500 MTPA.

Financial Year	Units	FY22
Input Installed Capacity: Roaster	TPD	40
Installed Capacity: Extraction	TPD	18
No of Working Days	Days/Yr	330
Input Installed Capacity: Roaster	TPA	13200
Yield	(%)	43%
Max Input to Extraction	TPA	5,668
Installed Capacity: Extraction	TPA	5,940
Capacity Assumed by Company	TPA	4,500

### Intellectual Property

#### Trademark:

Our Company has not applied for trademarks or logo registration as on the date of this Letter of Offer.

### Property

We carry out business operations from the following property(ies):

Particular of the Property	Vendor	Lease / Owned	Use
202, Oxford Plaza,9-1-129/1, Sd Road Secunderabad Hyderabad TG 500003	Delecto Foods Private Limited	The Lease started from 01/08/2021 & present Lease agreement valid for one year period starting from 01/08/2022 to 31/07/2023. Monthly Rent is Rs.26400	Registered office

### Property of our Subsidiary Companies:

#### VCPL:

SL No	Property Details	Address of Property	Area	Occupancy Type
	Immovable Property			



**VINTAGE COFFEE AND BEVERAGES LIMITED**

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SL No	Property Details	Address of Property	Area	Occupancy Type
1	Plant (factory)	Part Sy no 75,77,78,85,87,88, Rachur Village, Veldanda Mandal (Off Srisailam Highway), Nagarkunool Distt, Telangana PIN 509320.	23 Acres	Owned

**DFPL**

SL No	Types of assets	Address of Property	Area	Occupancy Type
	<b><u>Immovable Properties:</u></b>			
1	Plant (factory)	Sy no 58/3 & 58/4 Singayapally Village, Near Gowraram Village, Wargal Madam, Siddipet Dist., Telangana PIN 502279	Acres 3.	Owned
2	Office-Flat	Flat No. 202, Oxford Plaza, Sarojini Devi Road, Secunderabad, Hyderabad, Telangana, 500003	Built area- 3522.90 SFT	Owned



## VINTAGE COFFEE AND BEVERAGES LIMITED

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### OUR MANAGEMENT

#### Board of Directors

Currently, our Company has 6 (Six) Directors on our Board comprising of 1 (One) Executive Director, and 3 (Three) Independent Directors including one women Director and 2 (Two) Non Executive and Non Independent Director. The composition of the Board of Directors is governed by the provisions of the Companies Act and the SEBI Listing Regulations and the norms of the code of corporate governance as applicable to listed companies in India.

The Articles of Association provide that our Company shall not have less than three Directors and not more than twelve as provided in the Companies Act, 2013.

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.

The following table sets forth details regarding our Board of Directors as of the date of this Letter of Offer.

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Date of Birth	Status of Directorship in our Company	Other Directorships
<b>1. Mr. Tati Balakrishna</b> S/o Chandaiya Tati 10-3-163/1 Flat No B 505 Amsri Central Court Apts, Old Lancer Line, Secunderabad, Hyderabad, Telangana- 500025 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Five years <b>DIN:</b> 02181095 <b>PAN:</b> AAWPT5827G	27.10.1964	Managing Director	1. Valbe Foods (India) Private Limited 2. Tara Coffee (India) Private Limited 3. Delecto Foods Private Limited 4. Vintage Coffee Private Limited
<b>2. Mr. Venkateswarlu Tati</b> S/o Chendraiah Tati Flat No 501 Sai Nandanam Appts Deepthisree Nagar Madinaguda Road No-1 Opp CBR Estates Main Gate Miyapur Tirumalagiri Miyapur, Hyderabad AP-500049 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Retire by rotation <b>DIN:</b> 03044421 <b>PAN:</b> ADCPT1687R	16.04.1974	Non-Executive and Non-Independent Director	1. Valbe Foods (India) Private Limited 2. Delecto Foods Private Limited



## VINTAGE COFFEE AND BEVERAGES LIMITED

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Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Date of Birth	Status of Directorship in our Company	Other Directorships
<b>3. Mr. Mohit Rathi</b> S/o Dinesh Rathi Flat C-103 Brigade at No 7 B-2-545, Road No 7 Banjarahills, Khairatabad, Hyderabad, Telangana, 500034 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Retire by rotation <b>DIN:</b> 07184150 <b>PAN:</b> ALJPR8258D	04.11.1988	Non-Executive and Non-Independent Director	1. Vintage Coffee Private Limited
<b>4. Mr. Ajay Poonia</b> S/o Resham Singh Poonia 477 Near Mother Diary Sector-25-N Block Noida Gautam Buddha Nagar, Uttar Pradesh-201301 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Retire by rotation <b>DIN:</b> 07566017 <b>PAN:</b> BFGPP1956N	03.01.1989	Non-Executive and Independent Director	1. Evolving Edutainment Private Limited
<b>5. Ms. Aakanksha</b> S/o Sri Roop Shekhar 4-4-933 to 935, Flat No. 107, 3 <sup>rd</sup> Floor, Sultan Bazar, Royal Plaza, Ramkote, Nampally, Hyderabad, Telangana, 500001 <b>Occupation:</b> Professional <b>Nationality:</b> Indian <b>Tenure:</b> Five years <b>DIN:</b> 08792778 <b>PAN:</b> AWRPA9608B	09.03.1992	Non-Executive and Independent Director	1. Palred Technologies Limited 2. Samsrita Labs Limited 3. Bandaram Pharma Packtech Limited
<b>6. Mr. Bala Vinod Sudam</b> S/o Bala Vinod Sudam H. No. 1-3-2, Kavadiguda , Gandhi Nagar Hyderabad Telangana-500080 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Five years <b>DIN:</b> 03313282 <b>PAN:</b> AKAPS0003P	22.09.1961	Non-Executive and Independent Director	1. Delecto Foods Private Limited 2. Vintage Coffee Private Limited

### Relationship between Directors

None of the Directors are related to each other as per the provisions of the Companies Act, 2013 except Mr. Tati Balakrishna and Mr. Venkateswarlu Tati are brothers.



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## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

### Brief Profiles of Directors

#### 1. Mr. Tati Balakrishna:

Mr. Tati Balakrishna aged 58 years is the Managing Director of our Company. He has given 28 years in the Coffee Industry, learnt and understand consumer needs, especially retaining aroma and taste. He has incorporated his experience of Industry in Vintage coffee, that has been set up with state of the art equipment such as Probat Roaster, automated extraction system and enhanced aroma recovery system to name a few which will ensure mass customization. He is solely instrumental in developing business from USD 3 Million to USD 15 Million in 16 years at Tata Coffee. He has personal rapport with decision makers of leading brands in Russia, S.E Asia and Africa. He is responsible for day to day operations, policy making and implementation.

#### 2. Mr. Venkateshwarlu Tati:

Mr. Venkateshwarlu Tati aged 48 years is Non Executive and Non Independent Director of our Company. He is Master of Science and Master of Technology by qualification and has experience of more than 23 years in the field of Pharma and Food and Beverage Industry with skills in Technical, Operations, Quality and Microbiology and New Product Development, Quality Assurance and R & D Management. He brings his corporate acumen into the Company.

#### 3. Mr. Mohit Rathi:

Mr. Mohit Rathi aged 35 years is Non Executive and Non Independent Director of our Company. He is M.Sc. Wealth Management by qualification and has experience of more than 11 years in the field of food Industry. He brings his corporate acumen into the Company.

#### 4. Mr. Ajay Poonia:

Mr. Ajay Poonia aged 34 years is a Non Executive and Independent Director of Our Company. He is Graduate in economics and is having more than 13 years of rich experience in marketing, writing and event management. He is also member of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company. Being an Independent Director, he brings his skills and Corporate acumen into the Company.

#### 5. Ms. Aakanksha:

Ms. Aakanksha aged 31 years is a Non Executive and Independent Director of Our Company. She is a Practicing Company Secretary and is having more than 4 years of experience in Secretarial and legal matters. She is a specialist in compliances relating to preferential allotment of shares in listed and unlisted companies, mergers, IPO and buy back of Shares. Being an Independent Director, She brings her best Corporate acumen into the Company.

#### 6. Mr. Bala Vinod Sudam:

Mr. Sudam Bala Vinod aged 61 years is a Non Executive and Independent Director of Our Company. He is Civil Engineer and is having more than 30 years of experience. He is a member of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company. He is also associated with Vinper Services LLC. Being an Independent Director, he brings his skills and Corporate acumen into the Company.



## VINTAGE COFFEE AND BEVERAGES LIMITED

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### Details of any 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.

### Other Confirmations:

1. 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.
2. 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.

### CORPORATE GOVERNANCE

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting.

We have a Board constituted the Board Committees in compliance with the Companies Act. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently, our Company has 5 (Five) Directors on our Board comprising of 1 (One) Executive Director, and 2 (Two) Non-Executive and Non-Independent Director and 2 (Two) Independent Directors.

### The following committees have been formed in compliance with the corporate governance norms:

- A) Audit Committee
- B) Stakeholders Relationship Committee
- C) Nomination and Remuneration Committee

### AUDIT COMMITTEE

Our Company has constituted an audit committee ("Audit Committee"), as per the provisions of Section 177 of the Companies Act, 2013 and regulation 18 of SEBI LODR Regulations.

The terms of reference of Audit Committee complies with the requirements of Companies Act, 2013 and regulation 18 of SEBI LODR Regulations. The committee presently comprises following three (3) directors. Mr. Bala Vinod Sudam is the Chairperson of the Audit Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Bala Vinod Sudam	Chairperson	Independent Director
2.	Mr. Ajay Poonia	Member	Independent Director
3.	Ms. Aakanksha	Member	Independent Director



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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### Role of Audit Committee

The terms of reference of the Audit Committee are given below:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - o matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - o changes, if any, in accounting policies and practices and reasons for the same;
  - o major accounting entries involving estimates based on the exercise of judgment by management;
  - o significant adjustments made in the financial statements arising out of audit findings;
  - o compliance with listing and other legal requirements relating to financial statements;
  - o disclosure of any related party transactions;
  - o modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors,





## VINTAGE COFFEE AND BEVERAGES LIMITED

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- debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
  - approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  - Carrying out any other function as is mentioned in the terms of reference of the audit committee.
  - reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.
  - consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
  - such other terms of reference/role as may be amended from time to time.

All the items listed in Section 177 of the Act and Regulation 18(3) read with Part C of Schedule II of the SEBI (LODR) Regulations, 2015 are covered in the terms of reference of the Audit Committee.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

Our Company has constituted a Stakeholders Relationship Committee ("*Stakeholders relationship committee*") to redress the complaints of the shareholders in terms of section 178 (3) of Companies Act, 2013 and regulation 20 of SEBI LODR Regulations. The committee currently comprises of three (3) Directors. Mr. Bala Vinod Sudam is the Chairperson of the Stakeholders relationship Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Bala Vinod Sudam	Chairperson	Independent Director
2.	Mr. Ajay Poonia	Member	Independent Director
3.	Ms. Aakanksha	Member	Independent Director

### Role of stakeholder Relationship committee

The Stakeholder Relationship Committee of our Board look into:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for the effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Such other terms of reference/role as may be amended from time to time.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.



## VINTAGE COFFEE AND BEVERAGES LIMITED

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### NOMINATION AND REMUNERATION COMMITTEE

Our Company has constituted a Nomination and Remuneration Committee ("Nomination and Remuneration Committee") in terms of section 178 (3) of Companies Act, 2013 and regulation 19 of SEBI LODR Regulations. The Committee currently comprises of three (3) Directors. Mr. Ajay Poonia is the Chairperson of the Nomination and Remuneration Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Ajay Poonia	Chairperson	Independent Director
2.	Mr. Bala Vinod Sudam	Member	Independent Director
3.	Ms. Aakanksha	Member	Independent Director

The terms of reference of the Nomination and Remuneration Committee are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - use the services of an external agencies, if required;
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the time commitments of the candidates.
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.
- such other terms of reference/role as may be amended from time to time.

### Our Key Management Personnel and Senior Management Personnel

S.No.	Name of key Management Personnel and Senior Management Personnel	Designation	Associated with the Company Since
1.	Mr. Tati Balakrishna	Managing Director	16/07/2021
2.	Mr. Yarkali Kranthi Kumar	Chief Financial Officer	12/07/2021
3.	Ms. Shushma Vangari	Company Secretary	12/05/2023



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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

### Relationship of Key Managerial Personnel with our Directors, Promoter and / or other Key Managerial Personnel

There is no relationship between Key managerial personnel with Our Directors, Promoters and/ or Other Key Managerial personnel.




## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

### OUR PROMOTERS

Details Of Our Promoters Are as Under:


#### 1. BALAKRISHNA TATI

	Mr. Tati Balakrishna aged 58 years is the Managing Director of our Company. He has given 28 years in the Coffee Industry, learnt and understand consumer needs, especially retaining aroma and taste. He has incorporated his experience of Industry in Vintage coffee, that has been set up with state of the art equipment such as Probat Roaster, automated extraction system and enhanced aroma recovery system to name a few which will ensure mass customization. He is solely instrumental in developing business from USD 3 Million to USD 15 Million in 16 years at Tata Coffee. He has personal rapport with decision makers of leading brands in Russia, S.E Asia and Africa. He is responsible for day to day operations, policy making and implementation.
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#### Identification

<b>Name</b>	<b>BALAKRISHNA TATI</b>
<b>Permanent Account Number</b>	AAWPT5827G
<b>Date of Birth</b>	27.10.1964
<b>Education Qualification</b>	Bachelor of Arts, Bachelor of Legislative law and PGDIT
<b>Address</b>	10-3-163/1, Flat No B-505, Amsri Central Court Apts, Old Lancer Line, Secunderabad, Himmat Nagar, Telangana-500025
<b>Other Directorship</b>	<ol style="list-style-type: none"> <li>1. Vintage Coffee Private Limited</li> <li>2. Delecto Foods Private Limited</li> <li>3. Valbe Foods(India) Private Limited</li> <li>4. Tara Coffee (India) Private Limited</li> </ol>

#### 2. VISHAL JETHALIA

	Mr. Vishal Jethalia aged 51 years is one of the Promoters of our Company. He has given 28 years in the field of Finance and Marketing. He guide the Company in making best financial and marketing policy.
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#### Identification

<b>Name</b>	<b>VISHAL JETHALIA</b>
<b>Permanent Account Number</b>	ACRPJ8721A




## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

Date of Birth	20.01.1972
Education Qualification	Graduate and Chartered Accountant
Address	2F, Nayan Krishna Saha Lane, Bagh Bazar, Kolkata, West Bengal -700003
Other Directorship	Vintage Coffee Private Limited


### 3. MOHIT RATHI

	Mr. Mohit Rathi aged 35 years is Non Executive and Non Independent Director of our Company. He is M.Sc. Wealth Management by qualification and has experience of more than 11 years in the field of food Industry. He brings his corporate acumen into the Company.
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#### Identification

Name	MOHIT RATHI
Permanent Account Number	ALJPR8258D
Date of Birth	04.11.1988
Education Qualification	M.Sc. Wealth Management
Address	Flat No - C-103, Brigade at No 7, Banjara Hills, Road No 78-2-545, Hyderabad, Telangana - 500034
Other Directorship	Vintage Coffee Private Limited

### 4. PADMA TATI

	Mrs. Padma Tati aged 51 years is Non Executive and Non Independent Director of our Company. She is also one of the Promoters of our Company. She is bachelor's in arts by qualification and has experience of more than 12 years in the field of food Industry. She brings her experience and corporate acumen into the Company.
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#### Identification

Name	PADMA TATI
Permanent Account Number	ACQPT9218F
Date of Birth	10.08.1970
Education Qualification	bachelor's in arts
Address	10-3-163/1, Flat No-A706, Amsri Central Court, Apartment, Old Lancer Lines, Himmath Nagar Post Office, Secunderabad, Hyderabad, Telangana - 500025




## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

Other Directorship	Valbe Foods (India) Private Limited
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### 5. TATI SRUTI

	<p>Ms. Tati Sruti aged 29 years is one of the Promoters of our Company. She is Master of Business Administration by qualification and has experience of more than 2 years in the field of food Industry. She brings her ethical corporate practices into the Company.</p>
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#### Identification

Name	TATI SRUTI
Permanent Account Number	ARLPT3050H
Date of Birth	16.08.1993
Education Qualification	Master of Business Administration by qualification
Address	10-3-163/1, Flat No-A706, Amsri Central Court, Apartment, Old Lancer Lines, Himmath Nagar Post Office, Secunderabad, Hyderabad Telangana - 500025
Other Directorship	Nil

### 6. TATI SAI TEJA

	<p>Mr. Tati Sai Teja aged 23 years is one of the Promoters of our Company. He is Bachelor of Technology by qualification and has experience of more than 3 years in the field of food industry. He brings his ethical corporate practices into the Company.</p>
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#### Identification

Name	TATI SAI TEJA
Permanent Account Number	BIJPT2638B
Date of Birth	21.05.1999
Education Qualification	Bachelor of Technology
Address	10-3-163/1, Flat No-A706, Amsri Central Court, Apartment, Old Lancer Lines, Himmath Nagar Post Office, Secunderabad, Hyderabad, Telangana - 500025
Other Directorship	Nil



## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

### 7. T VENKATESHWARLU



Mr. Venkateshwarlu Tati aged 48 years is Non Executive and Non Independent Director of our Company. He is Master of Science and Master of Technology by qualification and has experience of more than 23 years in the field of Pharma and Food and Beverage Industry with skills in Technical, Operations, Quality and Microbiology and New Product Development, Quality Assurance and R & D Management. He brings his corporate acumen into the Company.

#### Identification

Name	T VENKATESHWARLU
Permanent Account Number	ADCPT1687R
Date of Birth	16.04.1974
Education Qualification	Master of Science and Master of Technology
Address	Flat No - 501, Sai Nandanam Appts Deepthisree Nagar, Madinaguda, Miyapur, Road No-1 Opp CBR Estates, Main Gate, Tirumalagiri, Miyapur, Hyderabad, Telangana - 500049
Other Directorship	Delecto Foods Private Limited Valbe Foods(India) Private Limited

### 8. TATI THULASI DALAXI



Mrs. Tati Thulasi Dalaxi aged 42 years is one of the Promoters of our Company. She is Bachelor of Technology and Master of Technology by qualification and has experience of more than 8 years in the field of Technology. She brings her ethical corporate practices and Experience into the Company.

#### Identification

Name	TATI THULASI DALAXI
Permanent Account Number	ANTPR5778A
Date of Birth	20.04.1980
Education Qualification	Bachelor of Technology and Master of Technology
Address	Flat No 301, Jakrias Ideal Residency, Asha Officers Colony, Shakti Nagar Road, R K Puram, Malkajgiri, Hyderabad, Telangana - 500056
Other Directorship	Nil



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## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

### 9. CHIN CORP HOLDING PTE LIMITED.

Chin Corp Holding Pte Limited is a private company limited by shares. It was incorporated on October 24, 2011 under the law of Singapore.

Registration No. / Unique Entity Number of the Company is 201131557K

The registered office of Chin Corp Holding Pte Limited is situated at 825, Mountbatten Road, #05-03, Mountbatten Regency, Singapore (437818).

Main Object of Company is General Wholesale Trade (Including General Importers And Exporters). The Company's principal activity is wholesale trade of a variety of goods without a dominant product.

Chin Corp Holding Pte Limited has not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the Securities and Exchange Board of India Act, 1992 ("SEBI Act") or under any of the regulations made under the SEBI Act.

#### Confirmation

Our Promoters and persons forming part of Promoter Group have confirmed that they have not been declared as wilful defaulter or a fraudulent borrower by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoters and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities. None of the Promoter has a negative net worth as of the date of the respective last audited financial statements.





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## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

### DIVIDEND POLICY

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

We have not declared any dividend in the previous five (5) financial years immediately preceding this issue.



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## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

### RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last Fiscal, as per the requirements under the relevant accounting standards and as reported in the Financial Information, see “Financial Information at page 106 of this Letter of Offer.



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**VINTAGE COFFEE AND BEVERAGES LIMITED**

(CIN- L15100TG1980PLC161210)

**SECTION VI - FINANCIAL INFORMATION****FINANCIAL STATEMENTS**

<b>Particulars</b>	<b>Page No.</b>
Restated Audited Standalone Financial Statements for the financial year ended on March 31, 2021, March 31, 2022 and March 31, 2023	F1
Restated Audited Consolidated Financial Statements for the financial year ended on March 31, 2021, March 31, 2022 and March 31, 2023	F34
Statement of Accounting Ratios	107

**Material changes and commitments, if any, affecting our financial position**

There are no material changes and commitments, which are likely to affect our financial position since March 31, 2023 till date of this Letter of Offer.

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**Standalone Auditors' Report on Restated Financial Information in connection  
with the Right Issue of M/s. Vintage Coffee and Beverages Limited**

To,  
**The Board of Directors,**  
**Vintage Coffee and Beverages Limited,**

Dear Sirs,

This report is issued in accordance with the terms of our engagement dated May 18, 2023;

The accompanying restated financial information, expressed in Indian Rupees, in Lakhs, of **M/s. Vintage Coffee And Beverages Limited** (hereinafter referred to as the "Company"), comprising Financial Information in paragraph A below and Other Financial Information in paragraph B below (hereinafter together referred to as "Restated Financial Information"), has been prepared by the Management of the Company in accordance with the requirements of section 62 of the Companies Act, 2013 (hereinafter referred to as the "Act") read with Rule the Companies(Share Capital and Debentures) Rules, 2014 (the "Rules") and Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 68 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and has been approved by the Board of Directors and initialled by us for identification purposes only. For the purpose of our examination, we have audited financial statements of the Company for the year ended on March 31, 2023, March 31, 2022 and given our report on May 15, 2023, May 30, 2022, and reliance have place on the financial statements of the company for the year ended on March 31, 2021, (all of which were expressed in Indian Rupees), on which other auditors have expressed unmodified audit opinions vide their report, June 22, 2021.

**Management's Responsibility for the Restated Financial Information**

The preparation of the Restated Financial Information, which is to be included in the Offer Document, is the responsibility of the Management of the Company and has been approved by the Board of Directors, at its meeting held on May 18, 2023 for the purpose set out in paragraph 13 below. The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.



**Head Office:**  
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**Guwahati:**  
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E-mail: [mum@sbassociates.co.in](mailto:mum@sbassociates.co.in)



#### **Auditors' Responsibilities**

Our work has been carried out in accordance with the Standards on Auditing under section 143(10) of the Act, (Revised) Guidance Note on Reports in Company Prospectuses and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India and pursuant to the requirements of section 62 of the Act read with applicable provisions within the Rules and the SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

#### **Financial Information as per audited standalone financial statements:**

We have examined the following summarized financial statements of the Company contained in Financial Information of the Company:

- a) The "Restated Statement of Assets and Liabilities" as at March 31, 2023, 2022 and 2021 (enclosed as Annexure I);
- b) The "Restated Statement of Profit and Loss" for the period ended March 31, 2023, 2022 and 2021 (enclosed as Annexure II)
- c) The "Restated Statement of changes in equity" for the period March 31, 2023, 2022 and 2021 (enclosed as Annexure III) and
- d) The "Restated Statement of Cash Flows" for the period ended March 31, 2023, 2022 and 2021 (enclosed as Annexure IV).

The Restated Financial Information, expressed in Indian Rupees, in Lakhs, has been derived from the audited financial statements of the Company read with paragraph 7 below, as at March 31, 2023, 2022 and 2021 and, all of which expressed in Indian Rupees.

We draw your attention to the following:

- a) the Restated Financial Information should be read in conjunction with the basis of preparation and significant accounting policies given in Annexure V (as described in paragraph 8(a) below);
- b) The Restated Financial Information does not contain all the disclosures required by the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



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E-mail: [mum@sbassociates.co.in](mailto:mum@sbassociates.co.in)



**Other Financial Information:**

At the Company's request, we have also examined the following Other Financial Information relating to the Company as at March 31, 2023, 2022 and 2021 and for the years ended March 31, 2023, 2022 and 2021 proposed to be included in the offer document, prepared by the Management of the Company and as approved by the Board of Directors of the Company and annexed to this report:

- a) Basis of preparation and Significant Accounting Policies as enclosed in Annexure V
- b) Notes to the Restated Financial Information as enclosed in Annexure VI
- c) Restated Statement of Related Party Transactions as enclosed in Annexure VII
- d) Restated Statement of Accounting Ratios as enclosed in Annexure VIII
- e) Restated Statement of Capitalisation as enclosed in Annexure IX
- f) Restated Statement of Tax Shelter as enclosed in Annexure X

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

**Opinion**

In our opinion:

- a) The Restated Standalone Financial Information of the Company, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation and respective significant accounting policies have been prepared in accordance with the Act, Rules, and the SEBI Regulations;
- b) There have been no changes in accounting policies of the Company (as disclosed in Annexure V to this report);
- c) There are no qualifications in the Auditors' Report which require any adjustments; and
- d) There are no extra-ordinary items which needs to be disclosed separately.

This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us on the financial statements of the Company.



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# S. Bhalotia & Associates

## Chartered Accountants



**Branch Office:**  
1-11-240/5/1. Shyamlal Building,  
Dugar Arcade, Begumpet  
Hyderabad-500016  
Phone: +040-4007-5150/51/52  
E-mail: [hyd@sbassociates.co.in](mailto:hyd@sbassociates.co.in)

### Restriction on Use

This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the offer document, prepared in connection with the proposed Right Issue of Equity Shares of the Company, to be filed by the Company with the SEBI, Registrar of Companies, Mumbai and the concerned Stock Exchanges.

**Place: Hyderabad**  
**Date: The 13<sup>th</sup> day of June, 2023**



**For S. Bhalotia & Associates**  
**(Chartered Accountants)**  
**Firm's Registration no.: 325040E**

**CA Binod Kumar Sahoo**  
**(Partner)**  
**Membership No: 305406**  
**UDIN: 23305406BGXYRB8621**

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## Vintage Coffee And Beverages Limited (formerly known as Spaceage Products Limited)

## Annexure I - Restated Statement of Assets and Liabilities

(Rs.In Lakhs)

Particulars	Note	As at		
		March 31, 2023	March 31, 2022	March 31, 2021
<b>ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, Plant and Equipment & Intangible Assets				
-Property, Plant and Equipment	1	0.01	0.01	0.01
(b) Financial Assets				
(i) Investments	2	11,875.51	11,875.51	-
(ii) Loans	3	2,883.12	1,536.61	295.64
(c) Deffered tax assets (Net)	4	0.09	0.09	0.09
<b>Total Non-Current Assets</b>		<b>14,758.74</b>	<b>13,412.22</b>	<b>295.74</b>
<b>2 Current assets</b>				
(a) Financial Assets				
(ii) Trade receivables	5	397.91	277.16	30.38
(iii) Cash and cash equivalents	6	4.78	19.10	20.63
(b) Other current assets	7	19.29	8.25	-
<b>Total Current Assets</b>		<b>421.97</b>	<b>304.50</b>	<b>51.01</b>
<b>TOTAL ASSETS</b>		<b>15,180.71</b>	<b>13,716.72</b>	<b>346.75</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	8	6,980.23	6,980.23	312.47
(b) Other Equity (Reserves & Surplus)	9	6,814.74	6,699.22	13.01
<b>Total Equity</b>		<b>13,794.97</b>	<b>13,679.45</b>	<b>325.48</b>
<b>Liabilities</b>				
<b>1 Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	10	436.39	-	15.54
<b>Total Non-current liabilities</b>		<b>436.39</b>	<b>-</b>	<b>15.54</b>
<b>2 Current liabilities</b>				
(a) Financial Liabilities				
(i) Trade Payables	11	240.55	13.32	0.62
(b) Other current liabilities	12	660.47	15.60	-
(c) Provisions	13	48.33	8.37	5.12
<b>Total Current liabilities</b>		<b>949.35</b>	<b>37.28</b>	<b>5.74</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>15,180.71</b>	<b>13,716.72</b>	<b>346.75</b>

The Accompanying notes are an integral part of the financial statements

As per our Report of even date

For S. Bhalotia &amp; Associates

Chartered Accountants

Firm's Registration No :0325040E

CA. Binod Kumar Sahoo

Partner

Membership No : 305406

Place: Hyderabad

Date:13-06-2023

UDIN:- 23305406BGXYRB8621



For and on behalf of the Board

Balakrishna Tati  
Managing Director  
DIN 02181095Venkateswarlu Tati  
Director  
DIN 03044421Y. Kranthi Kumar  
Chief Financial OfficerSushma Vangari  
Company Secretary  
M. NO:A65275



## Vintage Coffee And Beverages Limited (formerly known as Spaceage Products Limited)

## Annexure II - Restated Statement of Profit and Loss

(Rs. In Lakhs)

Particulars	Note	For the period ended		
		March 31, 2023	March 31, 2022	March 31, 2021
<b>Income</b>				
Revenue from Operations	14	3,574.83	449.17	21.24
Other Income	15	136.88	83.05	-
<b>Total Revenue</b>		<b>3,711.71</b>	<b>532.22</b>	<b>21.24</b>
<b>Expenses</b>				
(a) Cost of Materials consumed	16	3,241.73	399.21	-
(b) Employee benefits expense	17	82.82	52.00	2.40
(c) Finance Cost	18	3.02	0.31	0.04
(d) Other expenses	19	228.24	56.59	4.12
<b>Total Expenses</b>		<b>3,555.80</b>	<b>508.12</b>	<b>6.56</b>
Profit / (Loss) before exceptional items and Tax		155.90	24.10	14.68
Profit / (Loss) before Tax		155.90	24.10	14.68
a) Current Tax		40.54	6.27	5.00
b) Deffered Tax		-	-	0.01
Profit / (Loss) for the period (After Tax)		115.37	17.83	9.67
Other Comprehensive Income		-	-	-
Total Comprehensive income for the period		115.37	17.83	9.67
Earnings Per Share (EPS)		-	-	-
(a) Basic		0.17	0.03	0.31
(b) Diluted		0.17	0.03	0.31

The Accompanying notes are an integral part of the financial statements

As per our Report of even date

For S. Bhalotia &amp; Associates

Chartered Accountants

Firm's Registration No :0325040E



CA. Binod Kumar Sahoo

Partner

Membership No : 305406

Place: Hyderabad

Date:13-06-2023

UDIN:- 23305406BGXYRB8621



For and on behalf of the Board

Balakrishna Tati

Managing Director

DIN 02161095

Venkateshwarlu Tati

Director

DIN 03044421

Y. Kranthi Kumar

Chief Financial Officer

Sushma Vangari

Company Secretary

M. NO:A65275

Vintage Coffee And Beverages Limited (formerly known as Spaceage Products Limited)		
Annexure - III : Restated Statement of Changes in Equity		
A. Equity Share capital		
PARTICULARS	No of shares	Rs (in Lakhs)
Balance as at 1 April 2020	31.25	312.47
Changes in equity share capital during 2020-21	-	-
<b>Balance as at 31 March 2021</b>	<b>31.25</b>	<b>312.47</b>
Balance as at 1 April 2021	31.25	312.47
Changes in equity share capital during 2021-22	666.78	6,667.76
<b>Balance as at 31 March 2022</b>	<b>698.03</b>	<b>6,980.23</b>
Balance as at 1 April 2022	698.03	6,980.26
Changes in equity share capital during 2022-23	-	-
<b>Balance as at 31 March 2023</b>	<b>698.03</b>	<b>6,980.26</b>
B. Other equity		Rs (in Lakhs)
Particulars	Reserves And Surplus	TOTAL
	Retained Earning	
Share Premium Account		
Balance as at 1 April, 2020 (A)	-	-
Add: Received on further issue of Shares	-	-
Add: Any other Receipt on Share Premium Account	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>[Balance at 31 March 2021 (C=A+B)]</b>	<b>-</b>	<b>-</b>
Balance as at 1 April, 2021 (D)	-	-
Add: Received on further issue of Shares	6,667.76	6,667.76
Add: Any other Receipt on Share Premium Account	-	-
<b>Total (E)</b>	<b>6,667.76</b>	<b>6,667.76</b>
<b>[Balance at 31 March 2022 (F=D+E)]</b>	<b>-</b>	<b>-</b>
Balance as at 1 April, 2022 (F)	6,667.76	6,667.76
Add: Received on further issue of Shares	-	-
Add: Any other Receipt on Share Premium Account	-	-
<b>Total (G)</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 March 2023 (H=F+G)</b>	<b>6,667.76</b>	<b>6,667.76</b>
<b>Statement of Profit &amp; Loss</b>		
Balance as at 1 April, 2020 (I)	3.33	3.33
Additions during the year:		
Write off Previous year's Provision for Income Tax	-	-
Profit for the year	9.67	9.67
Other Comprehensive Income (net of tax)	-	-
<b>Total Comprehensive Income for the year 2020-21 (J)</b>	<b>9.67</b>	<b>9.67</b>
Transfer In/Out General Reserve	-	-
<b>Balance at 31 March 2021 (K=I+J)</b>	<b>13.01</b>	<b>13.01</b>
Balance as at 1 April, 2021 (K)	13.01	13.01
Additions during the year:		
Write off Previous year's Provision for Income Tax	0.62	0.62
Profit for the year	17.83	17.83
Other Comprehensive Income (net of tax)	-	-
<b>Total Comprehensive Income for the year 2021-22 (L)</b>	<b>17.83</b>	<b>17.83</b>
Transfer In/Out General Reserve	-	-
<b>Balance at 31 March 2022 M=K+L</b>	<b>31.46</b>	<b>31.46</b>
Balance at 1 April 2022 (N)	31.46	31.46
Additions during the year:		
Write off Previous year's Provision for Income Tax	0.15	0.15
Profit for the year	115.37	115.37
Other Comprehensive Income (net of tax)	-	-
<b>Total Comprehensive Income for the year 2021-22 (O)</b>	<b>115.52</b>	<b>115.52</b>
<b>Balance as at 31 March 2023 (P=N+O)</b>	<b>146.98</b>	<b>146.98</b>
<b>Balance of Other Equity ss at 31 March 2023 (Q=H+P)</b>	<b>6,814.74</b>	<b>6,814.74</b>
AS PER OUR REPORT OF EVEN DATE ATTACHED		
For S. Bhalotia & Associates Chartered Accountants FRN : 325040E		
For and on behalf of the board		
CA. Binod Kumar Sahoo Partner Membership No. : 305406 Place: Hyderabad Date:13-06-2023 UDIN:- 23305406BGXYRB8621	Balakrishna Tati Managing Director DIN:02181098	Benkateshwarlu Tati Director DIN:03044421 Sushma Vangari Company Secretary M. NO:A65275

## Vintage Coffee And Beverages Limited (formerly known as Spaceage Products Limited)

## Annexure - IV Restated Statement of Cash Flows

(Rs. in Lakhs)

PARTICULARS	Year Ended 31st March 2023	Year Ended 31st March 2022	Year Ended 31st March 2021
<b>Cash flow from Operating Activities</b>			
Profit before tax from continuing operations	155.90	24.10	14.68
<b>Profit Before Tax</b>	155.90	24.10	14.68
<b>Adjustments for :</b>			
Interest & Other Financial Costs	3.02	0.31	-
Income Tax / Interest on Income tax debited	(40.38)	(5.64)	-
<b>Operating Profit before Working Capital Changes</b>	118.54	18.77	14.68
<b>Adjustment For Change in working Capital:</b>			
Change in trade Receivable	(120.75)	(246.78)	3.10
Change in Short term Loans and Advances & Other current assets	(11.04)	(8.25)	-
Change in Trade Payable	227.23	12.70	-
Change in Other current Liabilities	684.85	18.85	(4.71)
<b>Changes in Working Capital</b>	780.28	(223.48)	(1.61)
<b>Cash generated from Operations</b>	898.82	(204.71)	13.07
<b>Less: - Direct Taxes Paid (net of refund)</b>	-	-	-
<b>Net Cash Flow from/ (used in) Operating Activities (A)</b>	898.82	(204.71)	13.07
<b>Cash flow from Investing Activities</b>			
Loans/ Advances given to Subsidiary companies/Others	(1,346.51)	(1,240.97)	-
Investment in Subsidiary companies	-	(11,875.51)	-
<b>Net Cash Flow from/(used in) Investing Activities (B)</b>	(1,346.51)	(13,116.48)	-
<b>Cash flow from Financing activities</b>			
Proceed from issue of Eq.Shares	-	13,335.51	-
Proceeds / (Repayment) of Long terms borrowings	436.39	(15.54)	-
Interest & Other Financial Costs	(3.02)	(0.31)	-
<b>Net Cash from/(used in) Financing Activities (C)</b>	433.37	13,319.66	-
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A)+(B)+(C)</b>	(14.32)	(1.53)	13.07
Cash and cash equivalent at the beginning of the year	19.10	20.63	7.55
<b>Cash and Cash Equivalent At The End Of The Year</b>	4.78	19.10	20.63
<b>Component Of Cash and Cash Equivalents</b>			
Cash in Hand	1.62	9.04	16.85
With Banks	3.16	10.06	3.78
<b>Total Cash and Cash Equivalents</b>	4.78	19.10	20.63

As per our Report of even date

For S. Bhalotia &amp; Associates

Chartered Accountants

Firm's Registration No :0325040E

CA. Binod Kumar Sahoo

Partner

Membership No : 305406

Place: Hyderabad

Date:13-06-2023

UDIN:- 23305406BGXYRB8621



For and on behalf of the Board

*[Signature]*  
Balakrishna Tati  
Managing Director  
DIN 02181095

*[Signature]*  
Y. Kranthi Kumar  
Chief Financial Officer



*[Signature]*  
Venkateshwarlu Tati  
Director  
DIN 03044421

*[Signature]*  
Sushma Vangari  
Company Secretary  
M. NO:A65275

## VINTAGE COFFEE AND BEVERAGES LIMITED

### NOTES FORMING PART OF THE RESTATED FINANCIAL STATEMENTS

#### 1 Corporate information

VINTAGE COFFEE AND BEVERAGES LIMITED (formerly known as Spaceage Products Limited) ('the Company') was incorporated on 25<sup>th</sup> April, 1980 under the provisions of the Companies Act applicable in India.

These financial statements were authorized for issue in accordance with a resolution of the directors on 15<sup>th</sup> May 2023.

#### 2 Basis of preparation and Significant accounting policies:

##### 2.1 Basis of preparation:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained further in the accounting policies below.

- Certain financial assets like investment in equity shares are measured at fair value,

The standalone financial statements are presented in INR Lakhs ('₹').

##### 2.2 Summary of significant accounting policies

###### a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

###### Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.



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## Liability

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities.

The Company classifies all other liabilities as non-current.

## Deferred tax

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## Operating cycle

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

### **b) Significant accounting, judgments, estimates and assumptions**

The preparation of the Company's Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, the accompanying disclosures, and the disclosure of contingent assets and contingent liabilities on the date of the standalone financial statements and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty as at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of the following:

#### **Investment in equity shares:**

The Company is exposed to equity price risk from investments in equity securities measured at fair value through profit and loss. The Management monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors.

#### **Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits



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together with future tax planning strategies. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of assessments by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the Company's domicile.

Minimum Alternative Tax ("MAT") credit is recognised as deferred tax asset based on evidence that the Company will pay normal income tax during the specified period. Significant judgments are involved in determining the future taxable income and future book profits, including amount of MAT credit available for set-off.

#### **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

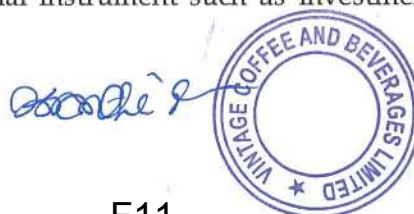
#### **Impairment of financial assets**

The Company assesses impairment of financial assets ('Financial instruments') and recognises expected credit losses in accordance with Ind AS 109. The Company provides for impairment of trade receivables and unbilled revenue outstanding for more than 1 year from the date they are due for payment and billing respectively. The Company also assesses for impairment of financial assets on specific identification basis at each period end.

The Company provides for impairment of investment in subsidiaries. Impairment exists when there is a diminution in value of the investment and the recoverable value of such investment is lower than the carrying value of such investment.

#### **c) Fair value measurement**

The company measures financial instrument such as investments at fair value at each balance sheet date.



T. Venkatasubramanian  
TSC

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability - or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Currently company carries those instruments in level 1 inputs of the above mentioned fair value hierarchy.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### d) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### i. Financial assets

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.



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## Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three broad categories:

- Debt instruments assets at amortised cost
- Equity instruments measured at fair value through profit or loss (FVTPL)

When assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit and loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

### Debt instruments at amortised cost

A debt instrument is measured at amortised cost (net of any write down for impairment) if both the following conditions are met:

- the asset is held to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes), and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss. The losses arising from impairment are recognised statement of profit and loss. This category generally applies to trade and other receivables

### Financial assets at fair value through OCI (FVTOCI)

A financial asset that meets the following two conditions is measured at fair value through OCI unless the asset is designated at fair value through profit and loss under fair value option.

- The financial asset is held both to collect contractual cash flows and to sell.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### Financial assets at fair value through profit and loss



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FVTPL is a residual category for company's investment instruments. Any instruments which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

All investments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss

In addition, the company may elect to designate an instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company has not made any such election. This classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment, However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investment in subsidiary are measured at cost.

### De-recognition

When the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; it evaluates if and to what extent it has retained the risks and rewards of ownership.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- Based on above evaluation, either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



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When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a bases that reflect the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Impairment of financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 ('Financial instruments') requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### **ii. Financial liabilities**

#### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, lease obligations, and other payables.

#### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.



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Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### **iii. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **iv. Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### **e) Property, plant and equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant if the recognition criteria are met.

Capital work in progress is stated at cost. Capital work-in-progress comprises of expenditure incurred for construction of building.



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Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in case of retirement of Property, Plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in statement of profit and loss in the year of occurrence.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year and adjusted prospectively, if appropriate. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Useful lives used by the Company are different from rates prescribed under Schedule II of the Companies Act 2013. These rates are based on evaluation of useful life estimated by the management supported by internal technical evaluation. The range of useful lives of the property, plant and equipment are as follows:

Property, plant and equipment	Useful lives estimated by the management (years)	Useful lives as per the Companies Act, 2013
Computer and Printers	3 years	3 years
Office equipment	5 years	5 years
Motor Car	5 years	5 years

#### f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised on a straight-line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortises the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern and are treated as changes in accounting estimates.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.



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g) Impairment of non-financial assets

Non-financial assets including Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the standalone statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

h) Lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. An operating lease is a lease other than a finance lease. Operating lease:

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis.



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i) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from sale of products is stated net off discounts and any applicable duties and taxes on dispatch of goods in accordance with terms of sales.

Further, revenue from treasury investment activities like investment in quoted and unquoted equity shares are measured at fair value through profit or loss at each reporting date.

The Company collects goods and service tax, service tax, sales tax and other taxes as applicable in the respective tax jurisdictions where the Company operates, on behalf of the government and therefore it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

ii. Other income

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date. The right to receive dividend is generally established when shareholders approve the dividend.

Interest income is recognized as it accrues in the standalone statement of profit and loss using effective interest rate method.

j) Foreign currency translation

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.



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iii. Exchange differences Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

#### k) Taxes

Tax expense comprises of current and deferred tax.

##### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Tax liability under Minimum Alternate Tax ("MAT") is considered as current tax. MAT entitlement is considered as deferred tax.

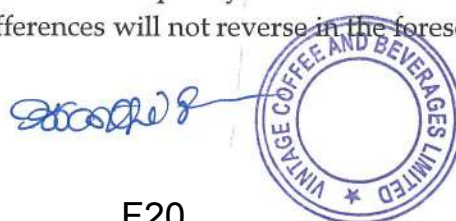
Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

##### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future



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Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### 1) Provisions, Contingent liabilities, Contingent assets and Commitments:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.



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Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. A contingent asset is disclosed, where an inflow of economic benefits is probable.

**m) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**n) Segment reporting**

The Company has only one segment of activity of dealing in IT products during the period; hence segment wise reporting as defined in Indian Accounting Standard-108 is not applicable.

**o) Inventory**

Inventories are valued at cost or net realizable value whichever is lower, computed on a FIFO basis, after providing for cost of obsolescence and other anticipate losses, wherever considered necessary. Finished goods include costs of conversion and other costs incurred in bringing the inventories to their present location and condition as certified by the management.

**p) Retirement and other employee benefits**

Employee benefits include provident fund and compensated absences.

**Defined contribution plans**

Contributions payable to recognized provident funds, which are defined contribution schemes, are charged to the standalone statement of profit and loss.



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## Short-term employee benefits

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. Compensated absences, which are expected to be utilised within the next 12 months, are treated as short-term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

## q) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value are unrestricted for withdrawal and usage

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## r) Recent accounting pronouncements

### Ind AS 116 'Leases':

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company is in the process of evaluating the impact of the new lease standard on all its lease arrangements and shall determine the appropriate transition option once the said evaluation has been completed.

### Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its standalone financial statements.



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Vintage Coffee And Beverages Limited (formerly known as Spaceage Products Limited)  
Annexure - VI : Notes to balance Sheet

Note:1 Property, Plant and Equipment		(Rs. in Lakhs)	
Particulars	Computers	Total	
<b>Year ended March 31, 2020</b>			
<b>Gross Carrying Amount</b>			
Opening Gross Carrying Amount	0.96	0.96	
Additions	-	-	
Disposals	-	-	
Closing gross carrying amount	0.96	0.96	
<b>Accumulated Depreciation</b>			
Opening Accumulated Depreciation	0.95	0.95	
Depreciation charged during the year	-	-	
Disposals	-	-	
Closing Accumulated Depreciation	0.95	0.95	
Net carrying amount March 31, 2021	0.01	0.01	
Net carrying amount March 31, 2020	0.01	0.01	
<b>Year ended March 31, 2021</b>			
<b>Gross Carrying Amount</b>			
Opening Gross Carrying Amount	0.96	0.96	
Additions	-	-	
Disposals	-	-	
Closing gross carrying amount	0.96	0.96	
<b>Accumulated Depreciation</b>			
Opening Accumulated Depreciation	0.95	0.95	
Depreciation charged during the year	-	-	
Disposals	-	-	
Closing Accumulated Depreciation	0.95	0.95	
Net carrying amount March 31, 2022	0.01	0.01	
Net carrying amount March 31, 2021	0.01	0.01	
<b>Year ended March 31, 2022</b>			
<b>Gross Carrying Amount</b>			
Opening Gross Carrying Amount	0.96	0.96	
Additions	-	-	
Disposals	-	-	
Closing gross carrying amount	0.96	0.96	
<b>Accumulated Depreciation</b>			
Opening Accumulated Depreciation	0.95	0.95	
Depreciation charged during the year	-	-	
Disposals	-	-	
Closing Accumulated Depreciation	0.95	0.95	
Net carrying amount March 31, 2023	0.01	0.01	
Net carrying amount March 31, 2022	0.01	0.01	



*T. Venkatesh*  
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## Vintage Coffee And Beverages Limited (formerly known as Spaceage Products Limited)

## Notes to balance Sheet

## Annexure-VI

## NOTE 2 - Investments

(Rs. in Lakhs)

PARTICULARS	March 31, 2023	March 31, 2022	March 31, 2021
In subsidiary companies			
Delecto Foods Private Limited (74,83,949 Equity Shares face value of Rs.10 each & purchased @Rs.42 Per Share)	3,143.26	3,143.26	-
Vintage Coffee Private Limited (386,26,201 Equity Shares face value of Rs.10 each & purchased @Rs.22.61 Per Share)	8,732.26	8,732.26	-
<b>Total</b>	<b>11,875.51</b>	<b>11,875.51</b>	<b>-</b>

## NOTE 3 - Loans

PARTICULARS	March 31, 2023	March 31, 2022	March 31, 2021
Advances recoverable in cash or kind or for value to be received			
i). Advances given to Subsidiary companies	2,471.16	1,243.15	-
ii) Advances given to Others	411.97	293.46	295.64
<b>Total</b>	<b>2,883.12</b>	<b>1,536.61</b>	<b>295.64</b>

## NOTE 4 - Deffered tax assets

PARTICULARS	March 31, 2023	March 31, 2022	March 31, 2021
Deffered tax assets (Net)	0.09	0.09	0.09
<b>Total</b>	<b>0.09</b>	<b>0.09</b>	<b>0.09</b>

## NOTE 5- Trade Receivables

PARTICULARS	March 31, 2023	March 31, 2022	March 31, 2021
Trade Receivables			
Unsecured, considered good			
Upto 6 months	336.16	234.59	-
6 months to 1 year	32.63	13.44	30.38
1 to 2 years	-	29.12	-
2 to 3 years	29.12	-	-
Above 3 years	-	-	-
<b>Total</b>	<b>397.91</b>	<b>277.16</b>	<b>30.38</b>

## NOTE 6-Cash and Cash Equivalents

PARTICULARS	March 31, 2023	March 31, 2022	March 31, 2021
(a) Cash and Cash Equivalents			
(i) Cash on hand	1.62	9.04	16.85
(ii) Balances with Banks Current Accounts	3.16	10.06	3.78
<b>Total</b>	<b>4.78</b>	<b>19.10</b>	<b>20.63</b>

## NOTE 7 -Other Current Assets

PARTICULARS	March 31, 2023	March 31, 2022	March 31, 2021
(i) GST Receivable	3.62	0.27	-
(ii) TDS Receivable	13.80	7.97	-
(iii) Income Tax Refund	1.86	-	-
<b>Total</b>	<b>19.29</b>	<b>8.25</b>	<b>-</b>



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Vintage Coffee And Beverages Limited (formerly known as Spaceage Products Limited)  
Annexure VI

PARTICULARS	(Rs. in Lakhs)		
	March 31, 2023	March 31, 2022	March 31, 2021
<b>Authorised Share Capital:</b> 750,00,000 Equity shares of Rs.10/- each (March 2022 - 750,00,000 Equity Shares of Rs.10/- each) (March 2021 - 35,00,000 Equity Shares of Rs.10/- each)	7,500.00	7,500.00	350.00
<b>Issued, Subscribed &amp; Paid Up Capital:</b> 698,02,273 Equity shares of Rs.10/- each (March 2022 - 698,02,273 Equity Shares of Rs.10/- each) (March 2021 - 31,24,700 Equity Shares of Rs.10/- each)	6,980.23	6,980.23	312.47
<b>Total</b>	<b>6,980.23</b>	<b>6,980.23</b>	<b>312.47</b>

- a. Terms/rights attached to equity shares  
The company has only one class of equity shares having a par value of Rs.10/- each holder of equity shares is entitled one vote per share.  
  
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- b. Reconciliation of the No. of Shares Outstandings at the end and the beginning of the year.

Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
Balance at the beginning of the year	69,802,273	698,022,730	3,124,700	31,247,000	3,124,700	31,247,000
Add: Allotted during the year	-	-	66,677,573	666,775,730	-	-
Balance at the end of the year	69,802,273	698,022,730	69,802,273	698,022,730	3,124,700	31,247,000

c. Promoters' Share holding and Details of Shareholders holding more than 5 % shares in the company

Sl.No	Name of the Shareholder & '% of holding	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
		No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Promoters' Share holding</b>							
1	Tati Balakrishna	19,769,586	28.32%	19,769,586	28.32%	-	0.00%
2	Chin Corp Holding Pte Ltd	19,347,055	27.72%	19,347,055	27.72%	-	0.00%
3	Vishal Jethalia	3,933,556	5.64%	3,933,556	5.64%	-	0.00%
4	Chin Corp Holding Pte Ltd	-	0.00%	-	0.00%	150,000	4.80%
5	Vishal Jethalia	-	0.00%	-	0.00%	65,185	2.09%
<b>Share holder holding more than 5% of shares</b>							
1	Ambey Bhawani Projects Private Limited	5,742,436	8.23%	5,822,936	8.34%	-	0.00%

Note 9 - Other Equity

PARTICULARS	March 31, 2023	March 31, 2022	March 31, 2021
<b>Share Premium Account</b>			
At Commencement of the Year	6,667.76	-	-
Add: Received on further issue of Shares	-	6,667.76	-
	6,667.76	6,667.76	-
<b>Statement of Profit &amp; Loss</b>			
At Commencement of the Year	31.46	13.01	3.33
Add: Write off Previous year's Provision for Income Tax	0.15	0.62	-
Add: Profit/(loss) for the Year	115.37	17.83	9.67
<b>Total</b>	<b>6,814.74</b>	<b>6,699.22</b>	<b>13.01</b>



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## Vintage Coffee And Beverages Limited (formerly known as Spaceage Products Limited)

## Notes to balance Sheet

## Annexure-VI

## NOTE 10 - Borrowings

(Rs. in Lakhs)

PARTICULARS	March 31, 2023	March 31, 2022	March 31, 2021
Loan from Directors & their relatives	436.39	-	15.54
Loans from Others	-	-	-
<b>Total</b>	<b>436.39</b>	<b>-</b>	<b>15.54</b>

## NOTE 11 -Trade Payables

PARTICULARS	March 31, 2023	March 31, 2022	March 31, 2021
i) MSME-NON			
Less than 1 year	240.55	13.24	0.62
1-2 years	-	0.08	-
<b>Total</b>	<b>240.55</b>	<b>13.32</b>	<b>0.62</b>

## NOTE 12 -Other Current Liabilities

PARTICULARS	March 31, 2023	March 31, 2022	March 31, 2021
Statutory Dues Payable	20.70	11.43	-
Salaries Payable	13.09	4.17	-
Advances from Customers	626.69	-	-
<b>Total</b>	<b>660.47</b>	<b>15.60</b>	<b>-</b>

## NOTE 13 -Provisions

PARTICULARS	March 31, 2023	March 31, 2022	March 31, 2021
Provision for Income Tax	40.54	6.27	5.12
Provision for Expenses	6.90	1.20	-
Audit Fee Payable*	0.90	0.90	-
<b>Total</b>	<b>48.33</b>	<b>8.37</b>	<b>5.12</b>
*Audit Fees (Excluding GST):-			
Satutory Audit Fees	0.60	0.60	-
Internal Audit Fees	0.30	0.30	-
	0.90	0.90	-

## NOTE 14 - Revenue from Operations

PARTICULARS	March 31, 2023	March 31, 2022	March 31, 2021
<b>SALE OF PRODUCTS</b>			
Sales - Domestic	1,611.06	12.50	21.24
Sales - Export	1,963.77	436.67	-
<b>SERVICE INCOME - SCEINTIFIC RESEARCH</b>			
	-	-	-
<b>Total</b>	<b>3,574.83</b>	<b>449.17</b>	<b>21.24</b>



T. Venkatesh  
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**NOTE 15 -Other Income**

PARTICULARS	March 31, 2023	March 31, 2022	March 31, 2021
Interest Income	121.29	75.80	-
Other Income	2.00	-	-
Forex Fluctuation A/c	13.59	7.25	-
Other Income	-	-	-
	-	-	-
<b>Total</b>	<b>136.88</b>	<b>83.05</b>	<b>-</b>

**NOTE 16 -Cost of Materials Consumed**

PARTICULARS	March 31, 2023	March 31, 2022	March 31, 2021
Opening Stock	-	-	-
Material Purchases	3,241.73	399.21	-
Less: Closing Stock	-	-	-
<b>Total</b>	<b>3,241.73</b>	<b>399.21</b>	<b>-</b>

**NOTE 17 -Employee Benefit Expenses**

PARTICULARS	March 31, 2023	March 31, 2022	March 31, 2021
Salaries and Benefits to employees	46.58	26.06	2.40
Directors Remuneration	36.00	25.94	-
Staff Welfare Expenses	0.24	-	-
<b>Total</b>	<b>82.82</b>	<b>52.00</b>	<b>2.40</b>

**NOTE 18 -Finance Cost**

PARTICULARS	March 31, 2023	March 31, 2022	March 31, 2021
Bank Charges	0.48	0.16	0.04
Interest Charges	2.54	0.16	-
<b>Total</b>	<b>3.02</b>	<b>0.31</b>	<b>0.04</b>

**NOTE 19 -Other Expenses**

PARTICULARS	March 31, 2023	March 31, 2022	March 31, 2021
Job Work Expenses	97.20	-	-
Selling Expenses	71.68	23.71	-
Listing & Filing Fees	5.70	17.69	0.35
Professional & Consultancy Charges	10.15	7.39	0.45
Advertisement Expenses	1.61	1.19	0.73
Office Rent	3.07	2.52	0.72
Directors Sitting Fees	1.40	1.15	-
Travelling Expenses	28.33	-	-
ECGC Premium	3.38	-	-
Miscellaneous Expenses	4.82	2.04	1.77
Auditor Remuneration	0.90	0.90	0.10
<b>Total</b>	<b>228.24</b>	<b>56.59</b>	<b>4.12</b>



T. Venkatesh

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**Annexure VII:**

**Restated Statement of Related Party Transactions**

(i)	In the opinion of the Management, the value of realization of current assets, advances and deposits in the ordinary course of Business would not be less than the amount at which they are stated in the Balance Sheet.			
(ii)	There is no separate reportable segments in the Company as per Ind AS 108 on "Segment Reporting"			
(iii)	Payment to Auditors' (Exclusive of service tax/ GST)	2022-23 Amount Rs in Lakhs	2021-22 Amount Rs in Lakhs	2020-21 Amount Rs in Lakhs
	Statutory Audit Fee	0.45	0.45	0.05
	Tax Audit Fee	0.25	0.25	0.05
	Other Services	0.20	0.20	-
	<b>Total</b>	<b>0.90</b>	<b>0.90</b>	<b>0.10</b>
(iv)	In the opinion of the Management of the Company, none of the assets of the Company are impaired.			
(v)	Disclosure in respect of related parties pursuant to Ind AS 24 (Related Party Disclosure)			
	<b>a) List of Related Parties</b>			
	Key Management Personnel (KMP)	Mr.Balakrishna Tati- Managing Director Mr.Yarkali Kranthi Kumar- Chief Financial Officer Mr.Ankit Kumar- Company Secretary(demised on 28/11/2022)		
	Non-Executive Directors	Mr.Venkateshwarlu Tati Mr.Mohit Rathi		
	Non-Executive Independent Directors	Mr.Bala Vinod Sudam Mr.Ajay Poonia MS.Aakanksha		
	Subsidiary Companies	Vintage Coffee Private Limited-100% Subsidiary Delecto Foods Private Limited- 100% Subsidiary		
	Enterprises over which KMP has significant influence	Tara Coffee (India) Private Limited Valbe Foods (India) Private Limited		
	<b>Transactions during the year and Closing Balance</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>
	<b>Name of the Party</b>	<b>Nature of Transaction (Excluding Reimbursement)</b>	<b>During the year (Rs in Lakhs)</b>	<b>During the year (Rs in Lakhs)</b>
	Mr.Balakrishna Tati-MD	Remuneration	36.00	25.93
		Remuneration Payable	6.23 (Cr)	0.50 (Cr)
		Loan Outstanding	89.31 (Cr)	-
	Mr.Y.Kranthi Kumar-CFO	Remuneration	24.00	16.96
		Remuneration Payable	3.74 (Cr)	1.61 (Cr)
	Mr.Ankit Kumar -CS	Remuneration	4.83	4.56
		Remuneration Payable	-	0.64 (Cr)
	Mr.Sudam Bala Vinod	Sitting Fees	0.50	0.35
	Mr.Ajay Poonia	Sitting Fees	0.50	0.40
	MS.Aakansha Shukla	Sitting Fees	0.40	0.40
	Vintage Coffee Priavte Limited	Purchases	1,497.15	384.21
		Sales	1,521.51	-
		Interest Receivable	99.07	59.21
		Investment in Equity	8732.26 (Dr)	8732.26 (Dr)
	Delecto Foods Private Limited	Loan Outstanding	1981.92 (Cr)	936.99 (Cr)
		Purchases	4.18	-
		Interest Receivable	22.22	16.40
		Investment in Equity	3143.26 (Dr)	3143.26 (Dr)
	Valbe Foods (India) Pvt Ltd	Loan Outstanding	489.23 (Cr)	306.15 (Cr)
		Loan Outstanding	347.08 (Cr)	25.44 (Dr)



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SI No	Nature of Transaction	Name of Related Party	2022-2023	2021-22	2020-21	
1	Advances (Taken/Given)	<b>Vintage Coffee Private Limited</b>				
		Opening balance including Interest	936.99	-	-	
		Add: Given/Taken during the year	946.86	1,311.21	-	
		Less: Repaid during the year	(1.00)	(374.22)	-	
		Add: Interest Payable/Receivable	99.07	-	-	
		Closing balance including Interest	<b>1,981.92</b>	<b>936.99</b>	-	
		<b>Delecto Foods Private Limited</b>				
		Opening balance including Interest	306.15	-	-	
		Add: Given/Taken during the year	295.06	396.67	-	
		Less: Repaid during the year	(134.20)	(90.52)	-	
		Add: Interest Payable/Receivable	22.22	-	-	
		Closing balance including Interest	<b>489.23</b>	<b>306.15</b>	-	
		<b>Trisha</b>				
		Opening balance including Interest	-	-	-	
		Add: Given/Taken during the year	-	-	-	
		Less: Repaid during the year	-	-	-	
		Add: Interest Payable/Receivable	-	-	-	
		Closing balance including Interest	-	-	-	
		<b>Munugala Anusha</b>				
		Opening balance including Interest	-	-	-	
Add: Given/Taken during the year	-	-	-			
Less: Repaid during the year	-	-	-			
Add: Interest Payable/Receivable	-	-	-			
Closing balance including Interest	-	-	-			

(vi) Disclosure in respect of Shares SWAP:

The Vintage Coffee and Beverages Limited has become Holding of M/s. Vintage Coffee Private Limited and Delecto Foods Private Limited by way of Share Swap Agreement and the effect arise from 12th July, 2021. Now, Vintage Coffee and Beverages Limited (VCBL) have two Material Subsidiaries Companies namely as M/s. Vintage Coffee Private Limited and Delecto Foods Private Limited.

(vii)	Transactions in Foreign Currency	2022-23	2021-22	2020-21
		Amount Rs in Lakhs	Amount Rs in Lakhs	Amount Rs in Lakhs
(i)	Earning in Foreign Currency			
	- Realization on Export Sales	1,966.90	216.60	-
(ii)	Expenditure in Foreign Currency			
	- Payment to Vendors	8.35	-	-
(iii)	Foreign Travel Expenditure	5.86	-	-
(iv)	Sales promotions	-	-	-

(viii) Trade Receivable Balances more than six months in the previous year was covered under ECGC.

(ix) Trade Receivables, Loans and Advances (Given and Taken) and Trade payables are subject to confirmation from the parties.

(x) The cost of materials consumed includes purchase of stock-in-trade and manufacturing of products with Job Work basis.

(xi) Figures for the previous year have been regrouped and/or re-classified wherever found necessary to make those comparable with the figures and / or presentation for the current year.



*S. Bhalotia*



*T. Venkatesh*

*T. Venkatesh*

VINTAGE COFFEE AND BEVERAGES LIMITED

Annexure VIII: Statement showing Ratios of the Restated Financial Statements

	Ratios: -	Formula to calculate Ratio	31/03/2023	31/03/2022	31/03/2021	31/03/2023	31/03/2022	31/03/2021
(a)	Current Ratio	Current Assets	421.97	304.50	51.01	0.44	8.17	8.89
		Current Liabilities (excluding Provision for tax)	949.35	37.28	5.74			
(b)	Debt-Equity Ratio	Total Debt	436.39	-	15.54	0.03	0.00	0.05
		Total Equity	13,794.97	13,679.45	325.48			
(c)	Debt Service Coverage Ratio	Earning before interest, tax and exception items	158.92	24.41	14.72	52.65	77.61	347.42
		Interest expenses+ principal Repayments made during the period for long term loans	3.02	0.31	0.04			
(d)	Return on Equity Ratio	Net Income	115.37	17.83	9.67	0.01	0.00	0.03
		Shareholders' Equity	13,794.97	13,679.45	325.48			
(f)	Trade Receivables turnover Ratio	Value of sales and Services	3,574.83	449.17	21.24	10.59	2.92	0.71
		Average Trade Receivables	337.53	153.77	29.75			
(g)	Trade Payables turnover ratio	Turnover	3,574.83	449.17	21.24	28.16	64.45	7.14
		Average Trade Payables	126.93	6.97	2.97			
(h)	Net Capital turnover ratio	Turnover	3,574.83	449.17	21.24	0.26	0.03	0.07
		Net Capital	13,794.97	13,679.45	325.48			
(i)	Net Profit Ratio	Net Profit after tax	115.37	17.83	9.67	0.03	0.04	0.46
		Turnover	3,574.83	449.17	21.24			
(j)	Return on Capital employed	EBIT	158.92	24.41	14.72	0.01	0.00	0.05
		capital employed	13,794.97	13,679.45	325.48			



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Vintage Coffee And Beverages Limited		
Annexure IX: Restated Statement of Capitalisation		
(Rs.In Lakhs)		
Particulars	As at March 31, 2023	Post Issue
<b>Debt:</b>		
Long term borrowings	436.39	-
Short term borrowings	-	-
Current portion of Secured long term borrowings, included in Other Current Liabilities	-	-
<b>Total debt (A)</b>	<b>436.39</b>	<b>-</b>
<b>Shareholders Funds:</b>		
Equity Share Capital	6,980.23	-
Reserves and Surplus	6,814.74	-
<b>Total Shareholders Funds (B)</b>	<b>13,794.97</b>	<b>-</b>
<b>Total Debt/Equity Ratio (A/B)</b>	<b>0.03</b>	<b>-</b>
<b>Total Long Term Debt / Equity Ratio</b>		
(Long term borrowings/Equity Share Capital & Reserves and Surplus)	0.03	-



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Vintage Coffee And Beverages Limited  
Annexure X: Restated Statement of Tax Shelter

(Rs.In Lakhs)

Particulars	As at		
	31-Mar-23	31-Mar-22	31-Mar-21
Profit/ (Loss) before taxation and adjustments	155.90	24.10	14.68
Tax at applicable Rates	25.17%	25.17%	25.17%
Tax thereon at the above rate	39.24	6.06	3.69
Adjustments:			
Permanent Differences			
Net Disallowances/ (Allowances) under the Income Tax Act	-	0.23	-
Capital Gain			
Others			
Total Permanent Differences	-	0.23	-
Timing Differences			
Difference in depreciator as per Income Tax Act and Financial Statements	(0.02)	(0.03)	(0.06)
Loss / unabosorbed depreciation set off		-	-
Total Timing Differences	(0.02)	(0.03)	(0.06)
Net Adjustments	(0.02)	0.20	(0.06)
Tax Expense/ (savings) thereon	(0.01)	0.05	(0.01)
Tax At Special Rate	-	-	-
Tax Liability	39.23	6.11	3.68
Minimum Alternate Tax under Sec. 115 JB of Income Tax Act including other taxes			
Income Tax Act			
Tax Liability as per Minimum Alternate Tax under Sec. 115 JB of Income Tax Act including other taxes	-	-	-
Net Tax Liability (Higher of H and I)	39.23	6.11	-
Total Current Tax	39.23	6.11	-
Impact of Material Adjustments for Restatement in corresponding years	-	-	-
Current Tax Liability on Material Adjustments for Restatement in corresponding years	-	-	-
Taxable Profit before Taxation and after adjustments as Restated	155.88	24.29	14.62
Total Tax Liability after Tax impact of adjustments	39.23	6.11	3.68



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**Consolidated Auditors' Report on Restated Financial Information in  
connection with the Right Issue of M/s. Vintage Coffee and Beverages Limited**

To,

The Board of Directors

Vintage Coffee and Beverages Limited,

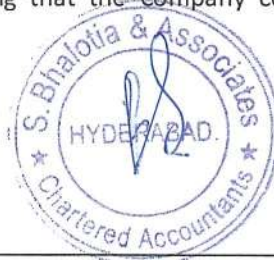
Dear Sirs,

This report is issued in accordance with the terms of our engagement dated May 18, 2023;

The accompanying restated financial information, expressed in Indian Rupees, in Lakhs, of M/s. Vintage Coffee and Beverages Limited (hereinafter referred to as the "Company"), comprising Financial Information in paragraph A below and Other Financial Information in paragraph B below (hereinafter together referred to as "Restated Financial Information"), has been prepared by the Management of the Company in accordance with the requirements of section 62 of the Companies Act, 2013 (hereinafter referred to as the "Act") read with Rule the Companies(Share Capital and Debentures) Rules, 2014 (the "Rules") and Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 68 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and has been approved by the Board of Directors and initialled by us for identification purposes only. For the purpose of our examination, we have audited financial statements of the Company for the year ended on March 31, 2023, March 31, 2022 and given our report on May 15, 2023, May 30, 2022, and reliance have place on the financial statements of the company for the year ended on March 31, 2021, (all of which were expressed in Indian Rupees), on which other auditors have expressed unmodified audit opinions vide their report, June 22, 2021.

**Management's Responsibility for the Restated Financial Information**

The preparation of the Restated Financial Information, which is to be included in the Offer Document, is the responsibility of the Management of the Company and has been approved by the Board of Directors, at its meeting held on May 18, 2023 for the purpose set out in paragraph 13 below. The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.



**Head Office:**  
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E-mail: [ho@sbassociates.co.in](mailto:ho@sbassociates.co.in)

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### Auditors' Responsibilities

Our work has been carried out in accordance with the Standards on Auditing under section 143(10) of the Act, (Revised) Guidance Note on Reports in Company Prospectuses and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India and pursuant to the requirements of section 62 of the Act read with applicable provisions within the Rules and the SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

Financial Information as per audited consolidated financial statements:

We have examined the following summarized financial statements of the Company contained in Financial Information of the Company:

- a) The "Restated Statement of Assets and Liabilities" as at March 31, 2023, 2022 and 2021 (enclosed as Annexure I);
- b) The "Restated Statement of Profit and Loss" for the period ended March 31, 2023, 2022 and 2021 (enclosed as Annexure II)
- c) The "Restated Statement of changes in equity" for the period March 31, 2023, 2022 and 2021 (enclosed as Annexure III) and
- d) The "Restated Statement of Cash Flows" for the period ended March 31, 2023, 2022 and 2021 (enclosed as Annexure IV).

The Restated Financial Information, expressed in Indian Rupees, in Lakhs, has been derived from the audited financial statements of the Company read with paragraph 7 below, as at March 31, 2023, 2022 and 2021 and, all of which expressed in Indian Rupees.

We draw your attention to the following:

- a) The Restated Financial Information should be read in conjunction with the basis of preparation and significant accounting policies given in Annexure V (as described in paragraph 8(a) below);
- b) the Restated Financial Information does not contain all the disclosures required by the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



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**Other Financial Information:**

At the Company's request, we have also examined the following Other Financial Information relating to the Company as at March 31, 2023, 2022 and 2021 and for the years ended March 31, 2023, 2022 and 2021 proposed to be included in the offer document, prepared by the Management of the Company and as approved by the Board of Directors of the Company and annexed to this report:

- a) Basis of preparation and Significant Accounting Policies as enclosed in Annexure V
- b) Notes to the Restated Financial Information as enclosed in Annexure VI
- c) Restated Statement of Related Party Transactions as enclosed in Annexure VII
- d) Restated Statement of Accounting Ratios as enclosed in Annexure VIII
- e) Restated Statement of Capitalisation as enclosed in Annexure IX

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

**Opinion**

In our opinion:

- a) the Restated Consolidated Financial Information of the Company, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation and respective significant accounting policies have been prepared in accordance with the Act, Rules, and the SEBI Regulations;
- b) there have been no changes in accounting policies of the Company (as disclosed in Annexure V to this report);

**Restriction on Use**

This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the offer document, prepared in connection with the proposed Right Issue of Equity Shares of the Company, to be filed by the Company with the SEBI, Registrar of Companies, Mumbai and the concerned Stock Exchanges.

**Place: Hyderabad**  
**Date: The 13<sup>th</sup> day of June, 2023**



For S. Bhalotia & Associates  
(Chartered Accountants)  
Firm's Registration no.: 325040E

  
CA Binod Kumar Sahoo  
(Partner)

Membership No: 305406  
UDIN: 23305406BGXYRC1354

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Vintage Coffee And Beverages Limited  
Annexure I - Restated Consolidated Statement of Assets and Liabilities

(Rs.In Lakhs)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment & Intangible Assets			
-Property, Plant and Equipment	2	7,952.94	8,441.27
(b) Goodwill	3	7,264.50	7,264.50
(c) Financial Assets			
(i) Loans	4	411.97	293.46
(d) Deferred tax assets (Net)	5	0.09	0.09
<b>Total Non-Current Assets</b>		<b>15,629.50</b>	<b>15,999.33</b>
<b>2 Current assets</b>			
(a) Inventories	6	6,110.35	5,901.42
(b) Financial Assets			
(i) Trade receivables	7	1,209.46	1,240.05
(ii) Cash and cash equivalents	8	147.69	223.37
(c) Other current assets	9	1,479.23	1,248.98
<b>Total Current Assets</b>		<b>8,946.72</b>	<b>8,613.82</b>
<b>TOTAL ASSETS</b>		<b>24,576.22</b>	<b>24,613.15</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	10	6,980.23	6,980.23
(b) Other Equity (Reserves & Surplus)	11	3,867.51	3,483.59
<b>Total Equity</b>		<b>10,847.74</b>	<b>10,463.83</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12	5,903.01	6,398.86
(ii) Trade Payables	13	1,127.80	1,127.80
(b) Deferred tax liabilities (Net)	14	597.93	578.20
<b>Total Non-current liabilities</b>		<b>7,628.74</b>	<b>8,104.85</b>
<b>2 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	4,323.67	4,575.52
(ii) Trade Payables	16	1,249.32	807.60
(b) Other current liabilities	17	450.15	639.10
(c) Provisions	18	76.60	22.25
<b>Total Current liabilities</b>		<b>6,099.74</b>	<b>6,044.47</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,576.22</b>	<b>24,613.15</b>

The accompanying significant accounting policies and notes form an integral part of the consolidated financial statements

As Per Our Report Of Even Date Attached

For S. Bhalotia & Associates

Chartered Accountants

FRN : 325040E

CA. Binod Kumar Sahoo  
Partner

Membership No. : 305406

Place: Hyderabad

Date: 13-06-2023

UDIN: 23305406BGXYRC1354

For and on behalf of the board

*[Signature]*  
Balakrishna Tati  
Managing Director  
DIN:02181095

*[Signature]*  
Venkateshwarlu Tati  
Director  
DIN:03044421

*[Signature]*  
Y. Kranthi Kumar  
Chief Financial Officer

*[Signature]*  
Sushma Vangari  
Company Secretary  
M. NO:A65275



Vintage Coffee And Beverages Limited  
Annexure II - Restated Consolidated Statement of Profit and Loss

(Rs.In Lakhs)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>Income</b>			
Revenue from Operations	19	6,289.05	3,658.91
Other Income	20	39.46	67.48
<b>Total Revenue</b>		<b>6,328.51</b>	<b>3,726.39</b>
<b>Expenses</b>			
(a) Cost of Materials consumed	21	3,306.22	1,477.42
(b) Purchase of Stock-in-Trade		-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(8.55)	853.76
(d) Employee benefits expense	23	498.63	391.70
(e) Finance Cost	24	612.75	443.54
(f) Depreciation and amortisation expense	25	490.27	342.84
(g) Other expenses	26	954.47	1,380.97
<b>Total Expenses</b>		<b>5,853.79</b>	<b>4,890.24</b>
Profit / (Loss) before exceptional items and Tax		<b>474.72</b>	<b>(1,163.85)</b>
Exceptional items		-	-
Profit / (Loss) before Tax		<b>474.72</b>	<b>(1,163.85)</b>
Tax Expense:			
a) Current Tax		68.80	20.15
b) Deffered Tax		19.73	43.17
Profit/ (Loss) for the period (After Tax)		<b>386.20</b>	<b>(1,227.17)</b>
Other Comprehensive Income		-	-
Total Comprehensive income for the period		<b>386.20</b>	<b>(1,227.17)</b>
<b>Earnings Per Share (EPS)</b>			
(a) Basic		0.55	(1.76)
(b) Diluted		0.55	(1.76)

The accompanying significant accounting policies and notes form an integral part of the consolidated financial statements

As Per Our Report Of Even Date Attached

For S. Bhalotia & Associates

Chartered Accountants

FRN : 325040E

CA. Binod Kumar Sahoo

Partner

Membership No. : 305406

Place: Hyderabad

Date: 13-06-2023

UDIN: 23305406BGXYRC1354



For and on behalf of the board

Balakrishna Tati  
Managing Director

DIN:02181095

Y. Kranthi Kumar  
Chief Financial Officer

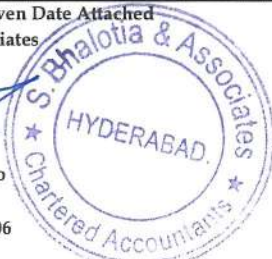
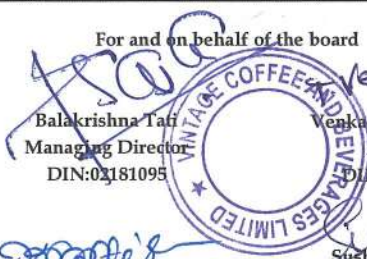
Venkateshwarlu Tati  
Director

DIN:03044421

Sushma Vangari  
Company Secretary

M. NO:A65275



Vintage Coffee And Beverages Limited		
Restated Consolidated Statement of Changes in Equity		
Annexure - III		
A. Equity Share capital		
PARTICULARS	No of shares	Rs in Lakhs
Balance as at 1 April 2021	31.25	312.47
Changes in equity share capital during 2021-22	666.78	6,667.76
<b>Balance as at 31 March 2022</b>	<b>698.03</b>	<b>6,980.23</b>
Balance as at 1 April 2022	698.03	6,980.26
Changes in equity share capital during 2022-23	-	-
<b>Balance as at 31 March 2023</b>	<b>698.03</b>	<b>6,980.26</b>
B. Other equity		Rs in Lakhs
Particulars	Reserves And Surplus	TOTAL
	Retained Earning	
<b>Share Premium Account</b>		
Balance as at 1 April, 2021 (A)	262.80	262.80
Add: Received on further issue of Shares	6,667.76	6,667.76
Add: Any other Receipt on Share Premium Account	-	-
<b>Total (B)</b>	<b>6,930.56</b>	<b>6,930.56</b>
[Balance at 31 March 2022 (C=A+B)]	-	-
<b>Balance as at 1 April, 2022 (D)</b>	<b>6,930.56</b>	<b>6,930.56</b>
Add: Received on further issue of Shares	-	-
Add: Any other Receipt on Share Premium Account	-	-
<b>Total (E)</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 March 2023 (F=D+E)</b>	<b>6,930.56</b>	<b>6,930.56</b>
<b>Revaluation Reserve</b>		
Balance as at 1st April, 2021 (G)	-	-
Add: Additions (H)	1,819.31	1,819.31
<b>Balance as at 31 March 2022 (I=G+H)</b>	<b>1,819.31</b>	<b>1,819.31</b>
Balance as at 1st April, 2022 (J)	1,819.31	1,819.31
Add: Additions (K)	-	-
<b>Balance as at 31 March 2022 (L=J+K)</b>	<b>1,819.31</b>	<b>1,819.31</b>
<b>Statement of Profit &amp; Loss</b>		
Balance as at 1 April, 2021 (M)	(4,039.73)	(4,039.73)
Additions during the year:		
Write off Previous year's Provision for Income Tax	0.62	0.62
Profit for the year	(1,227.16)	(1,227.16)
Other Comprehensive Income (net of tax)	-	-
<b>Total Comprehensive Income for the year 2021-22 (N)</b>	<b>(1,227.16)</b>	<b>(1,227.16)</b>
Transfer In/Out General Reserve	-	-
<b>Balance at 31 March 2022 -(O=M+N)</b>	<b>(5,266.27)</b>	<b>(5,266.27)</b>
Balance at 1 April 2022 (P)	(5,266.27)	(5,266.27)
Additions during the year:		
Write off Previous year's Provision for Income Tax	(2.28)	(2.28)
Profit for the year	386.20	386.20
Other Comprehensive Income (net of tax)	-	-
<b>Total Comprehensive Income for the year 2021-22 (Q)</b>	<b>383.91</b>	<b>383.91</b>
<b>Balance as at 31 March 2023 (R=P+Q)</b>	<b>(4,882.36)</b>	<b>(4,882.36)</b>
<b>Balance of Other Equity ss at 31 March 2023 (S=F+L+R)</b>	<b>3,867.51</b>	<b>3,867.51</b>
As Per Our Report Of Even Date Attached For S. Bhalotia & Associates Chartered Accountants FRN : 325040E		
		
CA. Binod Kumar Sahoo Partner Membership No. : 305406 Place: Hyderabad Date: 13-06-2023 UDIN: 23305406BGXYRC1354		
For and on behalf of the board		
		
Balakrishna Tati Managing Director DIN:03181095		
Venkateshwarlu Tati Director DIN:03044421		
Sushma Vangari Company Secretary M. NO:A65275		
Y. Kranthi Kumar Chief Financial Officer		

Vintage Coffee And Beverages Limited  
Annexure - IV  
Restated Consolidated Statement of Cash Flows (Rs. in Lakhs)

PARTICULARS	Year Ended 31st March 2023	Year Ended 31st March 2022
<b>Cash flow from Operating Activities</b>		
Profit before tax from continuing operations	474.72	(1,163.85)
<b>Profit Before Tax</b>	474.72	(1,163.85)
<b>Adjustments for :</b>		
Depreciation and Amortization Expenses	490.27	342.84
Interest & Other Financial Costs	612.75	443.54
Interest Received	(9.37)	(7.97)
Income Tax / Interest on Income tax debited	(90.81)	(20.15)
<b>Operating Profit before Working Capital Changes</b>	1,477.56	(405.59)
<b>Adjustment For Change in working Capital:</b>		
Change in Inventories	(208.93)	(5,901.42)
Change in trade Receivable	30.59	(1,209.67)
Change in Short term Loans and Advances & Other current assets	(230.25)	(1,228.79)
Change in Trade Payable	441.72	806.98
Change in Short Term Borrowing	(251.85)	4,575.52
Change in Other current Liabilities	(134.60)	656.23
<b>Changes in Working Capital</b>	(353.32)	(2,301.14)
<b>Cash generated from Operations</b>	1,124.24	(2,706.73)
<b>Less: - Direct Taxes Paid (net of refund)</b>	-	20.19
<b>Net Cash Flow from/ (used in) Operating Activities (A)</b>	1,124.24	(2,726.93)
<b>Cash flow from Investing Activities</b>		
Purchase of Fixed assets, including CWIP and Capital Advances	(1.93)	(16,048.61)
Interest Received	9.37	7.97
Loans/ Advances given to Subsidiary companies/Others	(118.50)	2.18
<b>Net Cash Flow from/(used in) Investing Activities (B)</b>	(111.06)	(16,038.45)
<b>Cash flow from Financing activities</b>		
Proceed from issue of Eq.Shares	-	11,322.34
Change in Long Term Loans and Advances	19.73	1,705.99
Proceeds / (Repayment) of Long terms borrowings	(495.84)	6,383.32
Interest & Other Financial Costs	(612.75)	(443.54)
<b>Net Cash from/(used in) Financing Activities (C)</b>	(1,088.87)	18,968.11
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A)+(B)+(C)</b>	(75.69)	202.73
Cash and cash equivalent at the beginning of the year	223.37	20.63
<b>Cash and Cash Equivalent At The End Of The Year</b>	147.69	223.37
<b>Component Of Cash and Cash Equivalents</b>		
Cash in Hand	6.24	13.04
With Banks	141.45	210.33
<b>Total Cash and Cash Equivalents</b>	147.69	223.37

As Per Our Report Of Even Date Attached

For S. Bhalotia & Associates

Chartered Accountants

FRN : 325040E

CA. Binod Kumar Sahoo

Partner

Membership No. : 305406

Place: Hyderabad

Date: 13-06-2023

UDIN: 23305406BGXYRC1354



For and on behalf of the board

Balakrishna Tati

Managing Director

DIN:02181095

Venkateswarlu Tati

Director

DIN:03044421

Y. Kranthi Kumar  
Chief Financial Officer

Sushma Vangari  
Company Secretary  
M. NO:A65275

# VINTAGE COFFEE AND BEVERAGES LIMITED

## NOTES FORMING PART OF THE RESTATED FINANCIAL STATEMENTS

Annexure-V

### 1 Corporate information

VINTAGE COFFEE AND BEVERAGES LIMITED (formerly known as Spaceage Products Limited) ('the Company') was incorporated on 25<sup>th</sup> April, 1980 under the provisions of the Companies Act applicable in India.

These financial statements were authorized for issue in accordance with a resolution of the directors on 15<sup>th</sup> May 2023.

#### 1.2 Basis of preparation and Significant accounting policies:

#### 1.3 Basis of preparation:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained further in the accounting policies below.

- Certain financial assets like investment in equity shares are measured at fair value,

The consolidated financial statements are presented in INR Lakhs ('₹').

#### 1.4 Summary of significant accounting policies

##### a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

##### Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.



## Liability

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include current portion of non-current financial liabilities.

The Company classifies all other liabilities as non-current.

## Deferred tax

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## Operating cycle

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

### **b) Significant accounting, judgments, estimates and assumptions**

The preparation of the Company's Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, the accompanying disclosures, and the disclosure of contingent assets and contingent liabilities on the date of the standalone financial statements and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty as at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of the following:

#### **Investment in equity shares:**

The Company is exposed to equity price risk from investments in equity securities measured at fair value through profit and loss. The Management monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors.

#### **Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits



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*[Handwritten signature]*

together with future tax planning strategies. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of assessments by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax assessments and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the Company's domicile.

Minimum Alternative Tax ("MAT") credit is recognised as deferred tax asset based on evidence that the Company will pay normal income tax during the specified period. Significant judgments are involved in determining the future taxable income and future book profits, including amount of MAT credit available for set-off.

#### **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

#### **Impairment of financial assets**

The Company assesses impairment of financial assets ('Financial instruments') and recognises expected credit losses in accordance with Ind AS 109. The Company provides for impairment of trade receivables and unbilled revenue outstanding for more than 1 year from the date they are due for payment and billing respectively. The Company also assesses for impairment of financial assets on specific identification basis at each period end.

The Company provides for impairment of investment in subsidiaries. Impairment exists when there is a diminution in value of the investment and the recoverable value of such investment is lower than the carrying value of such investment.

#### **c) Fair value measurement**

The company measures financial instrument such as investments at fair value at each balance sheet date.



Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability - or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Currently company carries those instruments in level 1 inputs of the above mentioned fair value hierarchy.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### d) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### i. Financial assets

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

##### Subsequent measurement



For purposes of subsequent measurement, financial assets are classified in three broad categories:

- Debt instruments assets at amortised cost
- Equity instruments measured at fair value through profit or loss (FVTPL)

When assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit and loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

#### **Debt instruments at amortised cost**

A debt instrument is measured at amortised cost (net of any write down for impairment) if both the following conditions are met:

- the asset is held to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes), and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit and loss. The losses arising from impairment are recognised statement of profit and loss. This category generally applies to trade and other receivables

#### **Financial assets at fair value through OCI (FVTOCI)**

A financial asset that meets the following two conditions is measured at fair value through OCI unless the asset is designated at fair value through profit and loss under fair value option.

- The financial asset is held both to collect contractual cash flows and to sell.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### **Financial assets at fair value through profit and loss**





FVTPL is a residual category for company's investment instruments. Any instruments which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

All investments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss

In addition, the company may elect to designate an instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

### Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company has not made any such election. This classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment, However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investment in subsidiary are measured at cost.

### De-recognition

When the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; it evaluates if and to what extent it has retained the risks and rewards of ownership.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- Based on above evaluation, either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



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When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a bases that reflect the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Impairment of financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 ('Financial instruments') requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### **ii. Financial liabilities**

#### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or at amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, lease obligations, and other payables.

#### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.



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Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### **iii. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **iv. Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### **e) Property, plant and equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant if the recognition criteria are met.

Capital work in progress is stated at cost. Capital work-in-progress comprises of expenditure incurred for construction of building.



Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in case of retirement of Property, Plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in statement of profit and loss in the year of occurrence.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year and adjusted prospectively, if appropriate. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. Useful lives used by the Company are different from rates prescribed under Schedule II of the Companies Act 2013. These rates are based on evaluation of useful life estimated by the management supported by internal technical evaluation. The range of useful lives of the property, plant and equipment are as follows:

Property, plant and equipment	Useful lives estimated by the management (years)	Useful lives as per the Companies Act, 2013
Computer and Printers	3 years	3 years
Office equipment	5 years	5 years
Motor Car	5 years	5 years

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised on a straight-line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortises the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern and are treated as changes in accounting estimates.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.



*S. Bhalotia*  
  
*V. Venkatesh*  
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g) Impairment of non-financial assets

Non-financial assets including Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the standalone statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

h) Lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. An operating lease is a lease other than a finance lease. Operating lease:

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis.

i) Revenue recognition



Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from sale of products is stated net off discounts and any applicable duties and taxes on dispatch of goods in accordance with terms of sales.

Further, revenue from treasury investment activities like investment in quoted and unquoted equity shares are measured at fair value through profit or loss at each reporting date.

The Company collects goods and service tax, service tax, sales tax and other taxes as applicable in the respective tax jurisdictions where the Company operates, on behalf of the government and therefore it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

#### ii. Other income

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date. The right to receive dividend is generally established when shareholders approve the dividend.

Interest income is recognized as it accrues in the standalone statement of profit and loss using effective interest rate method.

#### j) Foreign currency translation

##### i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which



T. Venkatesh  
T. Venkatesh

they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

#### k) Taxes

Tax expense comprises of current and deferred tax.

##### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Tax liability under Minimum Alternate Tax ("MAT") is considered as current tax. MAT entitlement is considered as deferred tax.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

##### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future



Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### 1) Provisions, Contingent liabilities, Contingent assets and Commitments:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.





Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. A contingent asset is disclosed, where an inflow of economic benefits is probable.

#### m) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### n) Segment reporting

The Company has only one segment of activity of dealing in IT products during the period; hence segment wise reporting as defined in Indian Accounting Standard-108 is not applicable.

#### o) Inventory

Inventories are valued at cost or net realizable value whichever is lower, computed on a FIFO basis, after providing for cost of obsolescence and other anticipate losses, wherever considered necessary. Finished goods include costs of conversion and other costs incurred in bringing the inventories to their present location and condition as certified by the management.

#### p) Retirement and other employee benefits

Employee benefits include provident fund and compensated absences.

#### Defined contribution plans

Contributions payable to recognized provident funds, which are defined contribution schemes, are charged to the standalone statement of profit and loss.



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### Short-term employee benefits

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. Compensated absences, which are expected to be utilised within the next 12 months, are treated as short-term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

### q) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value are unrestricted for withdrawal and usage

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### r) Recent accounting pronouncements

#### Ind AS 116 'Leases':

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company is in the process of evaluating the impact of the new lease standard on all its lease arrangements and shall determine the appropriate transition option once the said evaluation has been completed.

#### Ind AS 109 - Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its standalone financial statements.



Vintage Coffee And Beverages Limited  
Annexure - VI  
Property, Plant and Equipment

Particulars	(Rs. in Lakhs)										
	Land & Civil Works	Buildings	Plant and Machinery	Lab Equipments	ETP and RO Plant	Electrical Equipment	Furniture & Fixtures	Computers	Vehicles	Total	
<b>Year ended March 31, 2022</b>											
<b>Gross Carrying Amount</b>											
Opening Gross Carrying Amount	2,007	2,182	5,794	7	286	395	78	10	56	10,814	
Additions	-	2								2	
Disposals											
Closing gross carrying amount	2,007	2,184	5,794	7	286	395	78	10	56	10,816	
<b>Accumulated Depreciation</b>											
Opening Accumulated Depreciation	-	308	1,740	4	78	185	26	7	26	2,374	
Depreciation charged during the year	-	69	353	1	16	38	7	1	5	490	
Disposals											
Closing Accumulated Depreciation	-	377	2,093	5	93	222	33	9	32	2,863	
<b>Net carrying amount March 31, 2023</b>	<b>2,007</b>	<b>1,807</b>	<b>3,701</b>	<b>2</b>	<b>192</b>	<b>173</b>	<b>45</b>	<b>1</b>	<b>24</b>	<b>7,953</b>	
<b>Net carrying amount March 31, 2022</b>	<b>2,007</b>	<b>1,874</b>	<b>4,054</b>	<b>3</b>	<b>208</b>	<b>210</b>	<b>53</b>	<b>2</b>	<b>30</b>	<b>8,441</b>	



*S. Bhalaji & Associates*

*T. Kumar*

*S. Bhalaji & Associates*



Vintage Coffee And Beverages Limited

Notes to balance Sheet

Annexure VI

NOTE-3- GOOD WILL

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
<b>A) Investment made by VCBL in:</b>		
3,86,26,201 Equity Shares @Rs.22.61 each of VCPL	8,732.26	8,732.26
74,83,949 Equity Shares @Rs.42.00 each of DFPL	3,143.26	3,143.26
	11,875.52	11,875.52
<u>Less:</u>		
<b>B) Face Value of the Companies which were acquired by VCBL</b>		
3,86,26,201 Equity Shares face value of Rs.10 each of VCPL	3,862.63	3,862.63
74,83,949 Equity Shares face value of Rs.10 each of DFPL	748.39	748.39
	4,611.02	4,611.02
<b>Good Will (C= A-B)</b>	<b>7,264.50</b>	<b>7,264.50</b>

NOTE 4 - Loans

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Advances recoverable in cash or kind or for value to be received		
i) Advances given to Others	411.97	293.46
<b>Total</b>	<b>411.97</b>	<b>293.46</b>

NOTE 5 - Deffered Tax Asset

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Deffered tax assets (Net)	0.09	0.09
<b>Total</b>	<b>0.09</b>	<b>0.09</b>

NOTE 6- Inventories

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Raw Material & Consumables	2,252.32	2,051.94
Finished Goods (Manufacturing)	3,858.02	3,849.48
<b>Total</b>	<b>6,110.35</b>	<b>5,901.42</b>

NOTE 7- Trade Receivables

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Trade Receivables		
Unsecured, considered good		
Upto 6 months	1,036.89	1,084.59
6 months to 1 year	32.63	45.07
1 to 2 years	49.76	110.39
2 to 3 years	90.18	-
Above 3 years	-	-
<b>Total</b>	<b>1,209.46</b>	<b>1,240.05</b>



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Vintage Coffee And Beverages Limited  
Notes to balance Sheet  
Annexure VI

NOTE 8-Cash and Cash Equivalents

PARTICULARS	As at March 31, 2023	As at March 31, 2022
(a) Cash and Cash Equivalents		
(i) Cash on hand	6.24	13.04
(ii) Balances with Banks		
Current Accounts	4.10	(2.48)
Fixed Deposits	137.35	212.81
<b>Total</b>	<b>147.69</b>	<b>223.37</b>

NOTE 9-Other Current Assets

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Security Deposits - Electricity Dept,Water etc	92.74	91.39
Other Loans and Advances	1.99	2.20
Advance paid for capital Assets	6.30	6.30
Advance Paid to Suppliers	872.35	616.35
Rent Deposit	10.00	10.00
<b>Other Loans and Advances</b>		
Loans to Employees	2.84	1.75
Prepaid Expenses	9.80	10.61
<b>Balances with Statutory / Government Authorities</b>		
GST / VAT Receivable	342.86	383.74
CST Receivable	10.84	10.84
Service Tax Receivable/Incentives receivable	79.66	79.66
TDS Receivable	38.59	19.47
TCS Receivable	0.37	0.72
Accrued Interest/Receivable from Bank	9.05	15.96
Income Tax Refund	1.86	
<b>Pre-operative Expenses:</b>		
Opening Balance	0.00	197.26
Add: Additions during the Year	-	-
	<b>0.00</b>	<b>197.26</b>
Less: Written off during the year	-	197.26
<b>Pre-operative Expenses to the extent NOW</b>	<b>0.00</b>	<b>-</b>
	<b>1,479.23</b>	<b>1,248.98</b>



*S. Bhalotia*  
  
*V. Bhalotia*

Vintage Coffee And Beverages Limited  
Annexure VI

Note 10 - Share Capital (Rs. in Lakhs, except equity share data)

PARTICULARS	As at	As at
	March 31, 2023	March 31, 2022
AUTHORISED SHARE CAPITAL: 750,00,000 Equity shares of Rs.10/- each (Previous year 750,00,000 Equity Shares of Rs.10/- each)	7,500.00	7,500.00
ISSUED, SUBSCRIBED & PAID UP CAPITAL 698,02,273 Equity shares of Rs.10/- each (Previous year 698,02,273 Equity Shares of Rs.10/- each)	6,980.23	6,980.23
<b>Total</b>	<b>6,980.23</b>	<b>6,980.23</b>

a. Terms/rights attached to equity shares  
The company has only one class of equity shares having a par value of Rs.10/- each holder of equity shares is entitled one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. Reconciliation of the No. of Shares Outstandings at the end and the beginning of the year.

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount Rs.	No. of Shares	Amount Rs.
Balance at the beginning of the year	69,802,273	698,022,730	3,124,700	31,247,000
Add: Allotted during the year	-	-	66,677,573	666,775,730
Balance at the end of the year	69,802,273	698,022,730	69,802,273	698,022,730

c. Promoters' Share holding and Details of Shareholders holding more than 5 % shares in the company

Sl.No	Name of the Shareholder & '%' of holding	As at March 31, 2023		As at March 31, 2022	
		No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Promoters' Share holding</b>					
1	Tati Balakrishna	19,769,586	28.32%	19,769,586	28.32%
2	Chin Corp Holding Pte Ltd	19,347,055	27.72%	19,347,055	27.72%
3	Vishal Jethalia	3,933,556	5.64%	3,933,556	5.64%
<b>Share holder holding more than 5% of shares</b>					
4	Ambey Bhawani Projects Private Limited	5,742,436	8.23%	5,822,936	8.34%

Note 11- Other Equity

PARTICULARS	As at	As at
	March 31, 2023	March 31, 2022
<b>Share Premium Account</b>		
At Commencement of the Year	6,930.56	262.80
Add: Received on further issue of Shares	-	6,667.76
Share Premium account	6,930.56	6,930.56
<b>Revaluation Reserve</b>		
	1,819.31	1,819.31
	<b>8,749.87</b>	<b>8,749.87</b>
<b>Statement of Profit &amp; Loss</b>		
At Commencement of the Year	(5,266.27)	(4,039.73)
Less: Provision for Income Tax-Previous Years	2.28	(0.62)
Add: Profit/(loss) for the Year	386.20	(1,227.16)
<b>Total</b>	<b>3,867.51</b>	<b>3,483.59</b>



Vintage Coffee And Beverages Limited  
Notes to balance Sheet  
Annexure VI  
NOTE 12- Borrowings

PARTICULARS	As at March 31, 2023	As at March 31, 2022
<b>A) Secured Loans</b>		
Term Loan		
from Banks - PNB Bank	3,603.08	3,378.26
( Secured by Hypothecation of Fixed Assets)		
<b>B) Un-Secured Loans</b>		
from Related Parties	1,582.34	2,259.98
from Other parties	717.59	760.62
<b>Total</b>	<b>5,903.01</b>	<b>6,398.86</b>

NOTE 13- Non-Current Liabilities- Trade Payables

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Trade Payables	540.19	540.19
Advances from Customers	587.61	587.61
<b>Total</b>	<b>1,127.80</b>	<b>1,127.80</b>

NOTE 14 - Deferred Tax Liabilities

PARTICULARS	As at March 31, 2023	As at March 31, 2022
<b>1. Depreciation</b>		
As per Income Tax Act	566.14	656.66
As per Companies Act	490.27	490.63
Difference	75.88	166.03
Income Tax Rates as per enacted laws	26.00%	26.00%
Deferred Tax on Temporary Differences	19.73	43.17
Add: Opening	578.20	535.03
Closing Balance		
<b>Total</b>	<b>597.93</b>	<b>578.20</b>



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Vintage Coffee And Beverages Limited  
Notes to balance Sheet  
Annexure VI

NOTE 15- Short term Borrowings

PARTICULARS	As at March 31, 2023	As at March 31, 2022
<b>Secured Loans</b>		
PC Credit from Punjab National Bank ( e OBC) ( Secured by Hypothecation of Stocks & Receivables )	4,240.34	4,406.83
CECF -Emergency Credit Line from Punjab National Bank	83.33	168.70
<b>Total</b>	<b>4,323.67</b>	<b>4,575.52</b>

Note 16- Trade Payables

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Trade Payables	539.44	708.52
Advances from Customers	709.88	99.09
<b>Total</b>	<b>1,249.32</b>	<b>807.60</b>

NOTE 17-Other Current Liabilities

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Statutory Dues Payables	69.57	49.78
Provision for Expenses (Interest&EMI Payable)	-	-
Outstanding Liabilities (Short Term Provisions)	318.12	520.86
Advances from Customers	-	-
Capital Creditors	62.46	68.46
<b>Total</b>	<b>450.15</b>	<b>639.10</b>

NOTE 18-Provisions

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Provision for Income Tax	68.80	20.15
Provision for Expenses	7.80	2.10
<b>Total</b>	<b>76.60</b>	<b>22.25</b>



*Srinivas*

*T. Venkatesh*



*T. Venkatesh*



Vintage Coffee And Beverages Limited  
Notes to Statement of Profit and Loss  
Annexure VI

NOTE 19- Revenue from Operations

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2023	As at March 31, 2022
<b>SALE OF PRODUCTS</b>		
Sales - Domestic	1,411.46	1,141.54
Sales - Export	4,877.59	2,517.37
<b>Total</b>	<b>6,289.05</b>	<b>3,658.91</b>

NOTE 20-Other Income

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Interest Income	9.37	7.97
Other Income	7.32	0.21
Rental Income	-	0.02
Forex Fluctuation A/c	22.77	12.25
Profit on Sale of Fixed Assets	-	47.03
	<b>39.46</b>	<b>67.48</b>

NOTE 21-Cost of Materials Consumed

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Opening Stock	2,051.94	1,530.62
Material Purchases	3,506.60	1,998.73
Less: Closing Stock	2,252.32	2,051.94
<b>Total</b>	<b>3,306.22</b>	<b>1,477.42</b>



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Vintage Coffee And Beverages Limited  
Notes to Statement of Profit and Loss  
Annexure VI

NOTE 22- Changes in Inventories

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Closing Stock		
a) Finished Goods	3,858.02	3,849.48
Total (A)	3,858.02	3,849.48
Opening Stock		
a) Finished Goods	3,849.48	4,703.24
Total (B)	3,849.48	4,703.24
(Increase)/Decrease in Stock (A-B)	8.55	(853.76)

NOTE 23-Employee Benefit Expenses

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Salaries and Benefits to employees	377.68	313.04
Directors Remuneration	106.99	61.39
Staff Welfare Expenses	13.95	17.27
Total	498.63	391.70

NOTE 24-Finance Cost

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Interest Charges	601.55	430.67
Bank Loan processing charges	5.91	3.52
Bank Charges	5.30	9.35
Total	612.75	443.54

NOTE 25-Depreciation

PARTICULARS	As at March 31, 2023	As at March 31, 2022
a) Depreciation of Tangible Assets	489.57	342.25
b) Depreciation of Intangible Assets	0.70	0.59
Total	490.27	342.84



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**Vintage Coffee And Beverages Limited**  
**Notes to Statement of Profit and Loss**  
**Annexure VI**

**NOTE 26-Other Expenses**

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Power & Fuel	284.87	394.73
Job Work Charges	97.20	-
Stores & Consumables	4.36	31.45
Repairs and Maintenance	111.70	120.30
Freight Charges	23.47	20.70
Loading and Unloading Charges	5.60	3.05
Import Clearance and Transportaion	-	116.91
Security Charges	24.35	23.42
Travelling Expenditure	36.01	9.23
Selling Expenses	206.21	238.20
Insurance Charges	70.68	46.78
Conveyance Expenses	0.80	1.55
<u>Administrative &amp; Other General Expenses</u>	32.44	35.51
Rent / Rates / Taxes	1.41	4.65
Computer Stationery & Maintenance	0.30	1.07
Internet & Telephone Charges	1.97	2.80
Membership & Subscriptions	1.95	11.70
Legal Expenses	2.64	3.87
Printing & Stationery	0.86	1.62
Sample Testing Charges	0.55	2.96
Remuneration to Auditors		
-towards Statutory Audit	0.95	0.70
-towards Tax Audit	0.65	0.70
-towards Certifications &s other services	0.50	0.50
Exchange Fluctuations	9.34	62.06
Professional Charges / Consultancy Charges	28.47	101.86
Business Promotion	7.19	7.40
Preliminary Expenses to the Extent Written off	-	137.27
<b>Total</b>	<b>954.47</b>	<b>1,380.97</b>



*S. Bhalotia*



*T. Venkatesh*

*T. Venkatesh*

Vintage Coffee And Beverages Limited			
Annexure VII:			
Restated Statement of Related Party Transactions			
1.5	In the opinion of the Management, the value of realization of current assets, advances and deposits in the ordinary course of Business would not be less than the amount at which they are stated in the Balance Sheet.		
(i)			
(ii)	There is no separate reportable segments in the Company as per Ind AS 108 on "Segment Reporting"		
(iii)	Payment to Auditors'	2022-23	2021-22
	(Exclusive of service tax/ GST)	Amount	Amount
		(Rs in Lakhs)	(Rs in Lakhs)
	Statutory Audit Fee	0.45	0.45
	Tax Audit Fee	0.25	0.25
	Other Services	0.20	0.20
	<b>Total</b>	<b>0.90</b>	<b>0.90</b>
(iv)	In the opinion of the Management of the Company, none of the assets of the Company are impaired.		
(v)	Disclosure in respect of related parties pursuant to Ind AS 24 (Related Party Disclosure)		
	<b>a) List of Related Parties</b>		
Key Management Personnel (KMP)	Mr.Balakrishna Tati- Managing Director Mr.Yarkali Kranthi Kumar- Chief Financial Officer Mr.Ankit Kumar- Company Secretary(demised on 28/11/2022)		
Non-Executive Directors	Mr.Venkateshwarlu Tati Mr.Mohit Rathi		
Non-Executive Independent Directors	Mr.Bala Vinod Sudam Mr.Ajay Poonia MS.Aakanksha		
Subsidiary Companies	Vintage Coffee Private Limited-100% Subsidiary Delecto Foods Private Limited- 100% Subsidiary		
Enterprises over which KMP has significant influence	Tara Coffee (India) Private Limited Valbe Foods (India) Private Limited		
<b>Transactions during the year and Closing Balance</b>		<b>2022-23</b>	<b>2021-22</b>
<b>Name of the Party</b>	<b>Nature of Transaction (Excluding Reimbursement)</b>	<b>During the year (Rs in Lakhs)</b>	<b>During the year (Rs in Lakhs)</b>
Mr.Balakrishna Tati-MD	Remuneration	36.00	25.93
	Remuneration Payable	6.23 (Cr)	0.50 (Cr)
	Loan Outstanding	89.31 (Cr)	-
Mr.Y.Kranthi Kumar-CFO	Remuneration	24.00	16.96
	Remuneration Payable	3.74 (Cr)	1.61 (Cr)
Mr.Ankit Kumar -CS	Remuneration	4.83	4.56
	Remuneration Payable	-	0.64 (Cr)
Mr.Sudam Bala Vinod	Sitting Fees	0.50	0.35
Mr.Ajay Poonia	Sitting Fees	0.50	0.40
MS.Aakanksha Shukla	Sitting Fees	0.40	0.40
Valbe Foods (India) Pvt Ltd	Loan Outstanding	347.08 (Cr)	25.44 (Dr)



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Vintage Coffee And Beverages Limited

Annexure VII:

Restated Statement of Related Party Transactions

(vi) Disclosure in respect of Shares SWAP:

The Vintage Coffee and Beverages Limited has become Holding of M/s. Vintage Coffee Private Limited and Delecto Foods Private Limited by way of Share Swap Agreement and the effect arise from 12th July,2021. Now, Vintage Coffee and Beverages Limited (VCBL) have two Material Subsidiaries Companies namely as M/s. Vintage Coffee Private Limited and Delecto Foods Private Limited.

(vii) Transactions in Foreign Currency	2022-23	2021-22
	Amount (Rs in Lakhs)	Amount (Rs in Lakhs)
(i) Earning in Foreign Currency		
- Realization on Export Sales	1,966.90	216.60
(ii) Expenditure in Foreign Currency		
- Payment to Vendors	8.35	-
(iii) Foreign Travel Expenditure	5.86	-
(iv) Sales promotions	-	-

(viii) Trade Receivable Balances more than six months in the previous year was covered under ECGC.

(ix) Trade Receivables, Loans and Advances (Given and Taken) and Trade payables are subject to confirmation from the parties.

(x) The cost of materials consumed includes purchase of stock-in-trade and manufacturing of products with Job

(xi) Figures for the previous year have been regrouped and/or re-classified wherever found necessary to make those comparable with the figures and / or presentation for the current year.



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VINTAGE COFFEE AND BEVERAGES LIMITED

Annexure- VIII Statement showing Ratios of the Restated Consolidated Financial Statements

	Ratios: -	Formula to calculate Ratio	31/03/2023	31/03/2023	31/03/2022	31/03/2022
(a)	Current Ratio	Current Assets	8,946.72	1.48	8,613.82	1.43
		Current Liabilities (excluding Provision for tax)	6,030.94		6,044.47	
(b)	Debt-Equity Ratio	Total Debt	10,226.68	0.94	10,974.38	1.05
		Total Equity	10,847.74		10,463.82	
(c)	Debt Service Coverage Ratio	Earning before interest, tax and exception items	1,087.48	1.77	(720.31)	(1.62)
		Interest expenses+ principal Repayments made during the period for long term loans	612.75		443.54	
(d)	Return on Equity Ratio	Net Income	386.20	0.04	(1,227.17)	(0.12)
		Shareholders' Equity	10,847.74		10,463.82	
(e)	Inventory turnover Ratio	Cost of goods sold (Cost of Material Consumed+ Purchases + Changes in Inventory + Manufacturing Expenses)	3,314.77	0.55	-	0.00
		Average Inventories	6,005.88		-	
(f)	Trade Receivables turnover Ratio	Value of sales and Services	6,289.05	5.13	-	0.00
		Average Trade Receivables	1,224.75		-	
(g)	Trade Payables turnover ratio	Turnover	6,289.05	5.58	-	0.00
		Average Trade Payables	1,127.80		-	
(h)	Net Capital turnover ratio	Turnover	6,289.05	0.58	3,658.91	0.35
		Net Capital	10,847.74		10,463.82	
(i)	Net Profit Ratio	Net Profit after tax	386.20	0.06	(1,227.17)	(0.34)
		Turnover	6,289.05		3,658.91	
(j)	Return on Capital employed	EBIT	1,087.48	0.10	(720.31)	(0.07)
		capital employed	10,847.74		10,463.82	



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Delecto Foods Private Limited		(Rs.In Lakhs)
Annexure IX: Restated Statement of Capitalisation		
Particulars	As at 31-Mar-2023	Post Issue
Debt:		
Long term borrowings	5,903.01	-
Short term borrowings	4,323.67	-
Current portion of Secured long term borrowings, included in Other Current Liabilities	-	-
<b>Total debt (A)</b>	<b>10,226.68</b>	-
Shareholders Funds:		
Equity Share Capital	6,980.23	-
Reserves and Surplus	3,867.51	-
<b>Total Shareholders Funds (B)</b>	<b>10,847.74</b>	-
Total Debt/Equity Ratio (A/B)	0.94	-
Total Long Term Debt / Equity Ratio (Long term borrowings/Equity Share Capital & Reserves and Surplus)	0.54	-



*S. Bhalotia*



*T. Venkatesh*

*T. Venkatesh*



## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

### STATEMENT OF ACCOUNTING RATIOS

#### Accounting Ratios

The following table presents certain accounting and other ratios derived from our audited financial statements included in the section titled “*Financial Information*” beginning on page 106 of this Letter of Offer.

#### Accounting Ratios (Standalone basis)

Particulars	Period ended March 31, 2023	Year ended March 31, 2022
Earnings Per Share		
(a) Basic Earnings Per Share (after extraordinary items) (in Rs.)	0.17	0.03
(b) Diluted Earnings Per Share (after extraordinary items) (In Rs.)	0.17	0.03
Return on Net Worth (after extraordinary items and excluding Revaluation reserves) (%)	0.84%	0.13%
Net Asset Value / Book Value per Equity Share each	19.76	19.60
Face Value per Equity Share	10.00	10.00
EBITDA (Rs. in Lakhs)	158.92	24.41

#### Accounting Ratios (Consolidated basis)

Particulars	Period ended March 31, 2023	Year ended March 31, 2022
Earnings Per Share		
(a) Basic Earnings Per Share (after extraordinary items) (in Rs.)	0.55	(1.76)
(b) Diluted Earnings Per Share (after extraordinary items) (In Rs.)	0.55	(1.76)
Return on Net Worth (after extraordinary items and excluding Revaluation reserves) (%)	3.56%	(11.73%)
Net Asset Value / Book Value per Equity Share each	15.54	14.99
Face Value per Equity Share	10.00	10.00
EBITDA (Rs. in Lakhs)	1577.74	(377.77)





## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

### Capitalization Statement

The statement on our capitalisation is as set out below:

#### Capitalization statement (Standalone basis)

(Rs. in Lakhs)

Particulars	As at March 31, 2023 (Pre-Issue)	As adjusted for proposed Issue
<b>Borrowings</b>		
Current Borrowings	-	-
Non-Current Borrowings (including current maturity)	436.39	-
<b>Total borrowings (A)</b>	<b>436.39</b>	-
<b>Total Equity</b>		
Share capital	6,980.23	-
Reserves and surplus*	6,814.74	-
<b>Total Equity (B)</b>	<b>13,794.97</b>	-
<b>Non-current Borrowings / Total Equity ratio</b>	<b>3.16%</b>	-
<b>Total borrowings / Total Equity ratio (A/B)</b>	<b>3.16%</b>	-

\*Excluding other Comprehensive Income.

#### Capitalization statement (Consolidated basis)

(Rs. in Lakhs)

Particulars	As at March 31, 2023 (Pre-Issue)	As adjusted for proposed Issue
<b>Borrowings</b>		
Current Borrowings	4,323.67	-
Non-Current Borrowings (including current maturity)	5,903.01	-
<b>Total borrowings (A)</b>	<b>10,226.68</b>	-
<b>Total Equity</b>		
Share capital	6,980.23	-
Reserves and surplus*	3,867.51	-
<b>Total Equity (B)</b>	<b>10,847.74</b>	-
<b>Non-current Borrowings / Total Equity ratio</b>	<b>54.42%</b>	-
<b>Total borrowings / Total Equity ratio (A/B)</b>	<b>94.27%</b>	-

\*Excluding other Comprehensive Income.



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## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

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

*The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 106.*

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on pages 24 and 17, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.*

*Our financial statements included in this Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. For further information, see "Financial Statements" beginning on page 106.*

*Neither we, nor any of our affiliates or advisors, nor any other person connected with the Issue has independently verified such information. For further information, see "Presentation of Financial and other Information" beginning on page 15 of this Letter of Offer.*

#### **Business overview**

Our Company was originally incorporated as "Spaceage Products Private Limited" a private limited company vide a certificate of incorporation dated April 25, 1980, issued by the Registrar of Companies, NCT of Delhi & Haryana, under the provisions of the Companies Act, 1956. Subsequently, our Company was converted into a public limited company, following which the name was changed to "Spaceage Products Limited" and a fresh certificate of incorporation was issued on July 21, 1981 by the Registrar of Companies, Delhi & Haryana. Subsequently, the name of our Company was changed to "Vintage Coffee and Beverages Limited" and a fresh certificate of incorporation consequent on change of name dated July 15, 2021, was issued by, the Registrar of Companies, Mumbai, Maharashtra.

Equity Shares of our Company is listed at BSE Limited.

Our Current promoters namely, Balakrishna Tati, Vishal Jethalia, Mohit Rathi, Padma Tati, Tati Sruti, Tati Sai Teja, T Venkateshwarlu, Tati Thulasi Dalaxi, Chin Corp Holding Pte Limited acquired the company from existing promoters during the financial year 2021-22.

We are a group of coffee professionals very passionate about coffee with a combined experience of over 100 years and have come together to create an instant coffee product which captures the essence of conventional coffee through sophisticated modern technology and delivers it in a convenient way as Instant coffee.

We are committed to deliver this promise by offering unparalleled customer service for which we have set a unique bench mark.

Our passion for Coffee has led us to delve deep into every aspect of Instant coffee manufacture. Choicest coffee beans from Arabica and Robusta grades are carefully selected to deliver the desired



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## **VINTAGE COFFEE AND BEVERAGES LIMITED**

(CIN- L15100TG1980PLC161210)

taste and technology brought in to capture wonderful aromas of coffee. The net result being creation of wonderful coffee experience right from buying to consuming, bringing great value to our customer.

For further details, refer chapter titled “*Our Business*” on page 81.

### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR**

To the knowledge of our Company and except as disclosed herein, since the date of the last financial statements contained in this Letter of Offer, no other circumstances have arisen which would materially and adversely affect or which would be likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 (twelve) months.

### **FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page 24 of this Letter of offer. Our results of operations and financial conditions are affected by numerous factors including the following:

- Our success depends on the value, perception and quality of our product;
- Branding and marketing;
- General economic and business conditions;
- Company’s inability to successfully implement its growth and expansion plans;
- Increasing competition in the Industry;
- Changes in technology;
- Any change in the laws and regulations to Industry in which we operate;

### **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies have been applied consistently to the periods presented in Audited Standalone and Consolidated Financial Statements. For details of our significant accounting policies, please refer chapter titled “Financial Statements” on page 106 of this Letter of Offer.

### **CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS**

Except as mentioned in chapter titled “Financial Statements” on page 106, There has been no change in accounting policies for the period which has been included in this Letter of Offer.

### **RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS**

For details, please refer chapter titled “Financial Statements” on page 106 of this Letter of Offer.

### **SUMMARY OF OPERATIONS**

The following discussion on result of operations should be read in conjunction with Audited financial statements of our Company for financial year ended March 31, 2023, 2022 and 2021.

The following table sets forth, for the fiscal years indicated, certain items derived from our Company’s Audited financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue:



## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

(Rs. In Lakhs)

Particulars	For the financial year ended 31 <sup>st</sup> March, 2023		For the financial year ended 31 <sup>st</sup> March, 2022		For the financial year ended 31 <sup>st</sup> March, 2021	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
<b>Income:-</b>						
Revenue from Operations	3,574.83	6,289.05	449.17	3,658.91	21.24	-
<i>As a % of Total Revenue</i>	96.31%	99.38%	84.40%	98.19%	100.00%	-
Other Income	136.88	39.46	83.05	67.48	-	-
<i>As a % of Total Revenue</i>	3.69%	0.62%	15.60%	1.81%	0.00%	-
<b>Total Revenue (A)</b>	<b>3,711.71</b>	<b>6,328.51</b>	<b>532.22</b>	<b>3,726.39</b>	<b>21.24</b>	<b>-</b>
<b>Growth %</b>						
<b>Expenditure:-</b>						
Cost of material consumed	3,241.73	3,306.22	399.21	1,477.42	0.00%	-
<i>As a % of Total Revenue</i>	87.34%	52.24%	75.01%	39.65%	-	-
Purchase of Stock In Trade	-	-	-	-	-	-
Change In Inventory	-	-8.55	-	853.76	-	-
Employees Benefit Expenses	82.82	498.63	52.00	391.7	2.40	-
<i>As a % of Total Revenue</i>	2.23%	7.88%	9.77%	10.51%	11.30%	-
Depreciation and Amortization Expense	-	490.27	-	342.54	-	-
<i>As a % of Total Revenue</i>	0.00%	7.75%	0.00%	9.19%	0.00%	-
Finance Cost	3.02	612.75	0.31	443.54	0.04	-
<i>As a % of Total Revenue</i>	0.08%	9.68%	0.06%	11.90%	0.19%	-
Other Expenses	228.24	954.47	56.59	1,380.97	4.12	-
<i>As a % of Total Revenue</i>	6.15%	15.08%	10.63%	37.06%	19.40%	-
<b>Total Expenses (B)</b>	<b>3,555.80</b>	<b>5,853.79</b>	<b>508.12</b>	<b>4,890.24</b>	<b>6.56</b>	<b>-</b>
<i>As a % of Total Revenue</i>	95.80%	92.50%	95.47%	131.23%	30.89%	-
<b>Profit before extraordinary items and tax</b>	<b>155.9</b>	<b>474.72</b>	<b>24.10</b>	<b>-1,163.85</b>	<b>14.68</b>	<b>-</b>



## VINTAGE COFFEE AND BEVERAGES LIMITED

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Particulars	For the financial year ended 31 <sup>st</sup> March, 2023		For the financial year ended 31 <sup>st</sup> March, 2022		For the financial year ended 31 <sup>st</sup> March, 2021	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
<i>As a % of Total Revenue</i>	4.20%	7.50%	4.53%	-31.23%	69.11%	-
Extraordinary Items	-	-	-	-	-	-
<b>Profit before Tax</b>	<b>155.90</b>	<b>474.72</b>	<b>24.10</b>	<b>-1,163.85</b>	<b>14.68</b>	-
<b>PBT Margin</b>	4.20%	7.50%	4.53%	-31.23%	69.11%	-
Tax Expense:						-
i. Current Tax	-40.54	-68.8	6.27	20.15	-5.00	-
ii. Deferred Tax Expenses/(Credit)	-	-19.73	-	43.17	-	-
iii. Income tax for earlier year	-	-	-	-	-	-
<b>PAT</b>	<b>115.37</b>	<b>386.20</b>	<b>17.83</b>	<b>-1,227.17</b>	<b>9.67</b>	-
<b>PAT Margin %</b>	3.11%	6.10%	3.35%	-32.93%	45.53%	-

### COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2023 WITH FINANCIAL YEAR ENDED MARCH 31, 2022

#### INCOME

##### Income from Operations

(Rs. In Lakhs)

Particulars	31.03.2023		31.03.2022		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operations	3,574.83	6,289.05	449.17	3,658.91	695.87%	71.88%

The operating income of the Company for the year ending March 31, 2023 on standalone is Rs. 3,574.83 Lakhs as compared to Rs. 449.17 lakhs for the year ended March 31, 2022 on standalone basis, showing an increase of 695.87% and such increase is due to increase in volume of operations.



## VINTAGE COFFEE AND BEVERAGES LIMITED

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Accordingly, the operating income of the Company for the year ending March 31, 2023 on consolidated is Rs. 6,289.05 Lakhs as compared to Rs. 3,658.91 lakhs for the year ended March 31, 2022 on consolidated basis, showing an increase of 71.88%, and such increase is due to increase in volume of operations.

### Other Income

Our other income Increased from Rs. 39.46 Lakhs to Rs. 136.88 Lakhs on standalone basis, this was primarily due to increase in Non operating Income and Our Other Income Increased from Rs. 67.48 Lakhs to Rs. 83.05 Lakhs on consolidated basis during the year ended 31<sup>st</sup> March, 2022 to 31<sup>st</sup> March, 2023, this was primarily due to increase in Non operating Income on consolidated basis.

### Cost of Material Consumed

(Rs. In Lakhs)

Particulars	31.03.2023		31.03.2022		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Cost of material consumed	3,241.73	3,306.22	399.21	1,477.42	712.04%	123.78%

There is 712.04% increase in cost of material consumed from Rs. 399.21 Lakhs during year ended 31<sup>st</sup> March, 2022 to Rs. 3,241.73 Lakhs during year March 31, 2023 on standalone basis and there is 123.78% increase in cost of material consumed from Rs. 1,477.42 Lakhs during year ended 31<sup>st</sup> March, 2022 to Rs. 3,306.22 Lakhs during year March 31, 2023 on consolidated basis which is in line with the increase in revenue from operations and increase in business volume.

### Employee Benefit Expenses

(Rs. In Lakhs)

Particulars	31.03.2023		31.03.2022		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Employee Benefit Expenses	82.82	498.63	52.00	391.70	59.27%	27.30%

There is 59.27% increase in employee benefit expenses from Rs. 52.00 Lakhs during year ended 31<sup>st</sup> March, 2022 to Rs. 82.82 Lakhs during year March 31, 2023 on standalone basis and there is 27.30% increase in employee benefit expenses from Rs. 391.70 Lakhs during year ended 31<sup>st</sup> March, 2022 to Rs. 498.63 Lakhs during year March 31, 2023 on consolidated basis which is due to increase in staff and salary & wages.



## VINTAGE COFFEE AND BEVERAGES LIMITED

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### Other Expenses

(Rs. In Lakhs)

Particulars	31.03.2023		31.03.2022		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Other expenses	228.24	954.47	56.59	1,380.97	303.32%	-30.88%

There is 303.32% increase in other expenses from Rs. 56.59 Lakhs during the year ended 31<sup>st</sup> March, 2022 to Rs. 228.24 Lakhs during the year ended March 31, 2023 on standalone basis which is due to increase in other expenses and accordingly, there is 30.88% decrease in other expenses from Rs. 1,380.97 Lakhs during the year ended 31<sup>st</sup> March, 2022 to Rs. 954.47 Lakhs during the year ended March 31, 2023 on consolidated basis due to decrease in other expenses of our subsidiary companies.

### Depreciation

There is Nil Depreciation expenses during the year ended March 31, 2023 and during the year ended March 31, 2022 on standalone basis, however, there is increase in depreciation by 43.13% on consolidated basis due to increase in written down value or depreciable assets on consolidated basis of subsidiary companies.

### Profit Before Tax

(Rs. In Lakhs)

Particulars	31.03.2023		31.03.2022		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Profit before Tax	155.90	474.72	24.10	-1,163.85	546.89%	-140.79%

Profit before tax increased from Rs. 24.10 Lakhs during the year ended 31<sup>st</sup> March, 2022 to Rs. 155.90 Lakhs during the year March 31, 2023 on standalone basis in line with volume of business operations. Also, Profit before tax increased from loss of Rs. 1,163.85 Lakhs during the year ended 31<sup>st</sup> March, 2022 to Rs. 474.72 Lakhs during the year ended March 31, 2023 on consolidated basis due to increase in volume of business operations of the Company and subsidiary companies.

### Net Profit

(Rs. In Lakhs)

Particulars	31.03.2023		31.03.2022		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Profit	115.37	386.20	17.83	-1,227.17	547.06%	-131.47%



## VINTAGE COFFEE AND BEVERAGES LIMITED

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Profit after tax increased from Rs. 17.83 Lakhs during the year ended 31<sup>st</sup> March, 2022 to Rs. 115.37 Lakhs during the year March 31, 2023 on standalone basis in line with the volume of business operations. Also, Profit before tax increased from loss of Rs. 1,227.17 Lakhs during the year ended 31<sup>st</sup> March, 2022 to Rs. 386.20 Lakhs during the year ended March 31, 2023 on consolidated basis due to increase in turnover and capital utilization of the Company.

### COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2022 WITH FINANCIAL YEAR ENDED MARCH 31, 2021

#### INCOME

##### Income from Operations

(Rs. In Lakhs)

Particulars	31.03.2022		31.03.2021		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operations	449.17	3,658.91	21.24	-	2014.74%	100.00%

The operating income of the Company for the year ending March 31, 2022 on standalone is Rs. 449.17 Lakhs as compared to Rs. 21.24 lakhs for the year ended March 31, 2021 on standalone basis, showing an increase of 27.95%, and such increase is due to increase in volume of operations.

Accordingly, the operating income of the Company for the year ending March 31, 2022 on consolidated is Rs. 3,658.91 Lakhs as compared to Nil for the year ended March 31, 2021 on consolidated basis since our Company has become holding company during the FY 2021-22, showing an increase of 100.00%, and such increase is due to increase in volume of operations and acquisition of subsidiary Companies.

##### Other Income

Our other income Increased from Nil to Rs. 83.05 Lakhs on standalone basis, this was primarily due to increase in Non operating Income and Our Other Income Increased from Nil to Rs. 67.48 Lakhs on consolidated basis during the year ended 31<sup>st</sup> March, 2021 to 31<sup>st</sup> March, 2022, this was primarily due to increase in Non operating Income on consolidated basis and start of business of our Company and subsidiary Companies.

##### Cost of material consumed

(Rs. In Lakhs)

Particulars	31.03.2022		31.03.2021		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Cost of material consumed	399.21	1,477.42	-	-	100.00%	100.00%





## VINTAGE COFFEE AND BEVERAGES LIMITED

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There is 100.00% increase in cost of material consumed from Nil during year ended 31<sup>st</sup> March, 2021 to Rs. 399.21 Lakhs during year March 31, 2022 on standalone basis and there is 100.00% increase in cost of material consumed from Nil during year ended 31<sup>st</sup> March, 2021 to Rs. 1477.42 Lakhs during year March 31, 2022 on consolidated basis which is in line with the increase in revenue from operations and increase in business volume of our company and its subsidiary Company. Our Company has become holding company during the FY 2021-22.

### Employee Benefit Expenses

(Rs. In Lakhs)

Particulars	31.03.2022		31.03.2021		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Employee Benefit Expenses	52.00	391.70	2.40	-	2066.67%	100.00%

There is 2066.67% increase in employee benefit expenses from Rs. 2.40 Lakhs during year ended 31<sup>st</sup> March, 2021 to Rs. 52.00 Lakhs during year March 31, 2022 on standalone basis and there is 100.00% increase in employee benefit expenses from Nil during year ended 31<sup>st</sup> March, 2021 to Rs. 391.70 Lakhs during year March 31, 2022 on consolidated basis which is due to increase in staff and salary & wages of our Company and subsidiary Companies. Our Company has become holding company during the FY 2021-22.

### Other Expenses

(Rs. In Lakhs)

Particulars	31.03.2022		31.03.2021		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Other expenses	56.59	1,380.97	4.12	-	1273.54%	100.00%

There is 1273.54% increase in other expenses from Rs. 4.12 Lakhs during the year ended 31<sup>st</sup> March, 2021 to Rs. 56.59 Lakhs during the year ended March 31, 2022 on standalone basis which is due to increase in other expenses and accordingly, there is 10.00% increase in other expenses from Rs. Nil during the year ended 31<sup>st</sup> March, 2021 to Rs. 1,380.97 Lakhs during the year ended March 31, 2022 on consolidated basis which is in line with volume of business operations of our Company and subsidiary Company.

### Depreciation

There is Nil Depreciation expenses during the year ended March 31, 2022 and during the year ended March 31, 2021 on standalone basis, However, there is 100.00% increase in depreciation to Rs. 342.54 lakhs due to decrease in written down value or depreciable assets subsidiary Companies.



## VINTAGE COFFEE AND BEVERAGES LIMITED

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### Profit Before Tax

(Rs. In Lakhs)

Particulars	31.03.2022		31.03.2021		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Profit before Tax	24.10	-1,163.85	14.68	-	64.17%	100.00%

Profit before tax increased from Rs. 14.68 Lakhs during the year ended 31st March, 2021 to Rs. 24.10 Lakhs during the year March 31, 2022 on standalone basis in line with volume of business operations. However, there is loss of Rs. 1163.85 Lakhs on consolidated basis due to consolidation of subsidiary Company during the financial year 2021-22.

### Net Profit

(Rs. In Lakhs)

Particulars	31.03.2022		31.03.2021		Variance In %	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Profit	17.83	-1,227.17	9.67	-	84.38%	100.00%

Profit after tax increased from Rs. 9.67 Lakhs during the year ended 31<sup>st</sup> March, 2021 to Rs. 17.83 Lakhs during the year March 31, 2022 on standalone basis in line with the volume of business operations. However, there is loss of Rs. 1227.17 Lakhs on consolidated basis due to consolidation of subsidiary Company during the financial year 2021-22.

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## **VINTAGE COFFEE AND BEVERAGES LIMITED**

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### **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as described in the chapter titled “*Risk Factors*” beginning on pages 24 of this Letter of Offer, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

### **Unusual or Infrequent Events or Transactions**

Except as described elsewhere in this Letter of Offer, there have been no events or transactions to our knowledge which may be described as “unusual” or “infrequent”.

### **Significant economic/regulatory changes**

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income except as mentioned in the chapter titled “*Risk Factors*” on page 24 of this Letter of Offer.

### **Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known**

Other than as described in the chapter titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on pages 24 and 109, respectively, and elsewhere in this Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company’s future costs and revenues will be determined by demand/supply situation and government policies.

### **The extent to which material increases in net sales or revenue are due to increased sales volume or increased sales prices**

Increase in revenues is by and large linked to increase in sale of our services/ Products.

### **Competitive Conditions**

We expect competition in the sector from existing and potential competitors to intensify. However, on account of cost reduction and cost control, consistently delivering quality services, we are able to stay competitive. For further details, kindly refer the chapter titled “*Our Business*” beginning on page 81 of this Letter of Offer.



## VINTAGE COFFEE AND BEVERAGES LIMITED

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### MARKET PRICE INFORMATION

The Equity Shares of our Company are listed on the BSE. As our Equity Shares are listed only on the BSE, stock market data for our Equity Shares has been given for BSE.

For the purpose of this section:

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

#### Yearly Stock Market Quotation at BSE

The high, low prices and average of closing prices recorded on the BSE for the preceding three Financial Years and the number of Equity Shares traded on the days the high and low prices were recorded are stated below:

Year ended on March 31	High (in Rs)	Date of High	No. of Shares traded on date of high	Low (in Rs)	Date of Low	No. of Shares traded on date of low	Average price for the year (in Rs.)
2023	101.45	21st September, 2022	35,903	26.11	24 <sup>th</sup> March, 2023	44,492	62.45
2022	84.50	13 <sup>th</sup> October, 2021	5,402	29.45	01 <sup>st</sup> April, 2021	608	62.92
2021	28.90	31 <sup>st</sup> March, 2021	246	9.60	19 <sup>th</sup> October, 2020	25	17.42

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

#### Monthly Stock Market Quotation at BSE

The high and low prices and volume of the Equity Shares traded on the respective dates during the last six months is as follows:

Month	High (in Rs.)	Date of High	No. of Shares traded on date of high	Low (in Rs.)	Date of Low	No. of Shares traded on date of low	Average price for the Month (in Rs.)	Total No of Trading Days
May, 2023	34.58	12 <sup>th</sup> May, 2023	70,474	22.80	31 <sup>st</sup> May, 2023	70772	28.53	22
April, 2023	27.64	03 <sup>rd</sup> April, 2023	2,44,775	20.80	24 <sup>th</sup> April, 2023	1,00,042	23.41	17



## VINTAGE COFFEE AND BEVERAGES LIMITED

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Month	High (in Rs.)	Date of High	No. of Shares traded on date of high	Low (in Rs.)	Date of Low	No. of Shares traded on date of low	Average price for the Month (in Rs.)	Total No of Trading Days
March, 2023	36.24	10 <sup>th</sup> March, 2023	3,40,068	26.11	24 <sup>th</sup> March, 2023	44,492	31.74	21
February, 2023	50.30	02 <sup>nd</sup> February, 2023	22,913	34.15	27 <sup>th</sup> February, 2023	60,689	43.40	20
January, 2023	53.50	19 <sup>th</sup> January, 2023	97,72,536	46.70	11 <sup>th</sup> January, 2023	1,01,07,450	49.62	21
December, 2022	54.20	30 <sup>th</sup> December, 2022	2,85,263	41.25	21 <sup>st</sup> December, 2022	45,209	48.08	22

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

### Weekly Stock Market Quotation at BSE

Week end closing prices of the Equity Shares for the last four weeks on the BSE are as below:

Week Ended on	Closing Price (In Rs.)	High (in Rs.)	Date of High	Low (in Rs.)	Date of Low
16 <sup>th</sup> June, 2023	24.83	25.38	16 <sup>th</sup> June, 2023	22.27	15 <sup>th</sup> June, 2023
9 <sup>th</sup> June, 2023	23.80	24.40	7 <sup>th</sup> June, 2023	22.50	7 <sup>th</sup> June, 2023
2 <sup>nd</sup> June, 2023	23.49	26.94	29 <sup>th</sup> May, 2023	22.50	1 <sup>st</sup> June, 2023
26 <sup>th</sup> May, 2023	25.66	29.00	23 <sup>rd</sup> May, 2023	24.10	25 <sup>th</sup> May, 2023

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

The closing price of the Equity Shares as on 17<sup>th</sup> May, 2023 was Rs. 31.55 on the BSE, the trading day immediately preceding the day on which Board of Directors approved the Issue.



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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### SECTION VII - LEGAL AND OTHER INFORMATION

#### OUTSTANDING LITIGATIONS AND OTHER DEFAULTS

*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 Letter of Offer. However, solely for the purpose of the Issue, the following outstanding litigations have been disclosed in this section of this 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 20% of Turnover or Net Worth of the Company 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) shall not be evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.*

#### LITIGATIONS INVOLVING OUR COMPANY

##### LITIGATIONS AGAINST OUR COMPANY

Criminal proceeding against our Company

Nil

Action and Proceeding initiated by Statutory / Regulatory Authority including economic offences against our Company

Nil

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

Nil

##### LITIGATIONS BY OUR COMPANY

Criminal proceeding by our Company

Nil

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



**VINTAGE COFFEE AND BEVERAGES LIMITED**

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Sl No	Particulars	Type of Case	Case No	Amount involved	Brief Case details and Current Status of the Case
1	Guardian Finance Private Limited	Revocation of Pledge of Shares	FIR- 266/2022, CCS Hyderabad	3,72,52,936.00	We have made agreement for loan against pledge of shares of promoters of the company, as per agreement we have received Rs.3,72,52,936/- & pledged 20 lacs shares of promoters, with malafide intention, the Guardian Finance Pvt Ltd revoked the pledge and sold the part of shares of 559415 No's, after that we had filed Case against them, stopped further sale of shares. Now both the parties agreed to settle the matter by adjusting the loan amount against sold shares & Balance Shares of 14,40,585/- GFPL agreed to transfer to Promoters of VCBL.
2	Mallikarjuna Multisector LLP	Cheque Bounce Case	Crime No:225/2022 U/Sec 420 r/w 34 IPC of WCO Team XIII	97,20,000	We had agreement with Mallikarjuna Multisector LLP with regard to funds raising of of Rs.6 Crores, as against Loan we have paid Rs.97,20,000/- towards Charges, later we have deposited the



## VINTAGE COFFEE AND BEVERAGES LIMITED

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SI No	Particulars	Type of Case	Case No	Amount involved	Brief Case details and Current Status of the Case
					cheque of loan amount of Rs.6 Crores which was dishonoured due to insufficient of funds. Hence filed case in CCS, Hyderabad and filed Case as per provisions of Sec138 of Negotiable Instruments Act for an Value of Rs.97,20,000/- for recovery of the amount.

### LITIGATIONS INVOLVING SUBSIDIARY COMPANIES

#### LITIGATIONS AGAINST SUBSIDIARY COMPANIES

**Criminal proceeding against our Subsidiary Companies**

Nil

**Action and proceeding initiated by Statutory/Regulatory Authority against of our Subsidiary Companies**

Nil

**Other Proceeding against our Subsidiary Companies**

Nil

#### LITIGATIONS BY SUBSIDIARY COMPANIES

**Criminal proceeding by our Subsidiary Companies**

Nil

**Other Proceeding by our Subsidiary Companies**

Nil





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**VINTAGE COFFEE AND BEVERAGES LIMITED**

(CIN- L15100TG1980PLC161210)

**REVENUE MATTERS:**

Nil

**DISCLOSURES PERTAINING TO WILFUL DEFAULTERS OR FRAUDULENT BORROWERS**

Neither our Company, our Promoters, our Directors are or have been classified as a willful defaulter or fraudulent borrower by a bank or financial institution or a consortium thereof in accordance with the guidelines on willful defaulters or fraudulent borrower issued by RBI.

**AMOUNT DUE TO MSME**

There are no pending dues to one MSME supplier for more 45 (Forty-Five) days as on 31<sup>st</sup> March, 2023.



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## **VINTAGE COFFEE AND BEVERAGES LIMITED**

(CIN- L15100TG1980PLC161210)

### **GOVERNMENT AND OTHER STATUTORY APPROVALS**

Our Company requires various consents, licenses, permissions and approvals from various central and state authorities under various rules and regulations for carrying on its present business activities. We have received the necessary consents, licenses, permissions and approvals from the Government of India and various governmental agencies required for our present business and to undertake the Issue. Such consents, licenses, permissions and approvals may be required to be renewed periodically and applications for the same are made at the appropriate stage.

Since, our Company intends to utilize the proceeds of the Issue to invest in wholly owned subsidiary Companies, no government and regulatory approval pertaining to the Object of the Issue will be required.



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## **VINTAGE COFFEE AND BEVERAGES LIMITED**

(CIN- L15100TG1980PLC161210)

### **MATERIAL DEVELOPMENTS**

There have not arisen, since the date of the last financial statements disclosed in this 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 consolidated 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 109 of this Letter of Offer.



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## **VINTAGE COFFEE AND BEVERAGES LIMITED**

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### **OTHER REGULATORY AND STATUTORY DISCLOSURES**

#### **Authority for the Issue**

This Issue has been authorized by the resolution passed by our Board at its meeting held on 18<sup>th</sup> May, 2023 pursuant to Section 62 (1) (a) of the Companies Act, 2013 and other applicable provisions. The Rights Issue Committee has approved the Record Date for the Issue at its meeting held on 13<sup>th</sup> June, 2023 and approved this Letter of Offer at its meeting held on 19<sup>th</sup> June, 2023.

The Rights Issue Committee, in its meeting held on 13<sup>th</sup> June, 2023 has resolved to issue the Equity Shares to the Eligible Equity Shareholders, at Rs. 12.00 per Equity Share aggregating up to Rs. 4,188.14 Lakhs. The Issue Price is Rs. 12.00 per Equity Share has been arrived at by our Company prior to determination of the Record Date.

Our Company has received in-principle approval from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be Allotted in this Issue pursuant to its letter each dated 7<sup>th</sup> June, 2023. Our Company will also make application to BSE to obtain its trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN INE498Q20014 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "Terms of the Issue" beginning on page 135 of this Letter of Offer.

#### **Prohibition by SEBI**

Our Company, our Promoter, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this 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. None our Directors or Promoter is associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

#### **Prohibition by RBI**

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful 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.



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## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

### Eligibility for this Issue

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B1 of Schedule VI of the SEBI ICDR Regulations.

### Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the Issue.

### Disclaimer Clause of SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is below Rs. 5000.00 lakhs. The present Issue being of less than Rs. 5,000 lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI ICDR Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI ICDR Regulations with SEBI for information and dissemination on the website of SEBI i.e. [www.sebi.gov.in](http://www.sebi.gov.in).

### Disclaimer from our Company, our Director(s)

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

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

### Caution

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 Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This 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 Letter of Offer is current only as of its date.



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## **VINTAGE COFFEE AND BEVERAGES LIMITED**

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### **Disclaimer with respect to jurisdiction**

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Telengana, India only.

### **Designated Stock Exchange**

The Designated Stock Exchange for the purpose of the Issue is BSE.

### **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 Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Letter of Offer is set out below:

"BSE Limited ("the Exchange") has given, vide its letter dated 7<sup>th</sup> June, 2023 permission to this Company to use the Exchange's name in this Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

### **Selling Restrictions**

This Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in



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## **VINTAGE COFFEE AND BEVERAGES LIMITED**

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certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

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

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

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

**THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.**



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

### **NO OFFER IN ANY JURISDICTION OUTSIDE INDIA**

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.





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## **VINTAGE COFFEE AND BEVERAGES LIMITED**

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### **Consents**

Consents in writing of our Directors, the Registrar to the Issue, Expert 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 Letter of Offer.

Our Company has received written consent dated 18th May, 2023 from our Statutory Auditor, for inclusion of their report on the Financial Information in this Letter of Offer and to include their name in this Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated 18<sup>th</sup> May, 2023 in the form and context in which it appears in this Letter of Offer. Such consent has not been withdrawn up to the date of this Letter of Offer.

### **Expert Opinion**

Our Company has not obtained any expert opinion.

### **Performance vis-à-vis objects - Public/Rights Issue of our Company**

Our Company has not made any rights issues/Public issues in last five years. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

### **Filing**

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

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

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights Our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre Issue or post Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" beginning on page 135. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

### Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue at:

#### Registrar to the Issue

Purva Shareregistry (India) Pvt. Ltd

No-9, Shiv Shakti Industrial Estate, Ground Floor,

J. R. Boricha Marg, Opp. Kasturba Hospital,

Lower Parel, Mumbai - 400 011.

Tel No.: 022-2301 6761 / 2301 8261

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

E-mail ID: [support@purvashare.com](mailto:support@purvashare.com)

Contact Person: Ms. Deepali Dhuri

SEBI Registration No: INR000001112

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 and Compliance Officer

Ms. Sushma Vingari

202, Oxford Plaza,9-1-129/1, Sd Road Secunderabad

Hyderabad TG 500003.

Email: [cs@vintagecoffee.in](mailto:cs@vintagecoffee.in)

Website: [www.vcbl.coffee](http://www.vcbl.coffee)

Tel: +91-40-27717707

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

### EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

Our Company has not submitted any application to SEBI for exemption from complying with any provisions of Securities.



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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### Status of Complaints

- i. Total number of complaints received during Fiscal 2020: Nil
- ii. Total number of complaints received during Fiscal 2021: Nil
- iii. Total number of complaints received during Fiscal 2022: Nil
- iv. Total number of complaints received during Fiscal 2023 (till date): Nil
- v. Time normally taken for disposal of various types of investor complaints: 15 days
  - (a) Share transfer process: Within 15 days after receiving full set of documents
  - (b) Share transmission process: Within 21 days after receiving full set of documents
  - (c) Other Complaints: Within 15 days from the receipt of the complaint

### Status of outstanding investor complaints

As on the date of the DLOF, there were Nil outstanding investor complaints.

### Changes in Auditor during the last three years

There has been no change in the Auditors of the Company during the last three years except that M/s T D K & Co., Chartered Accountants resigned from the position of Statutory Auditors in the year 2020-21 and to fill the casual vacancy M/s M Sridhar Reddy & Co was appointed until the conclusion of AGM. At the AGM held on 05 September, 2022 M/s. S. Bhalotia & Associates, Chartered Accountants were appointed as a Statutory Auditors of the Company for a period of four years.

### Minimum Subscription

The objects of the Issue are Investment in wholly owned subsidiary Companies for the working capital requirements and General Corporate Purpose, and do not involve financing of capital expenditure for a project.

However, our promoters have indicated that they will not subscribe fully to their portion of right entitlement. Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirement of minimum subscription is applicable to the Issue.



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## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

### SECTION VIII - ISSUE INFORMATION

#### TERMS OF THE ISSUE

*This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this 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 Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Right Issue Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.*

*This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in 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 Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, 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.*

#### DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- (i) Our Company at [www.vcbl.coffee](http://www.vcbl.coffee);
- (ii) The Registrar at [www.purvashare.com](http://www.purvashare.com);
- (iii) The Stock Exchange at [www.bseindia.com](http://www.bseindia.com);



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., Purva Sharegistry (India) Pvt. Ltd at [www.purvashare.com](http://www.purvashare.com)) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., [www.vcbl.coffee](http://www.vcbl.coffee)).

**Please note that neither our Company nor the Registrar shall be responsible for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.**

The distribution of this 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 this 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 this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the 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 our affiliates to make any filing or registration (other than in India).



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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### PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Shareholders desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Shareholders should carefully read the provisions applicable to such Applications before making their Application through ASBA.

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, titled "Procedure for Application through the ASBA Process" on page 137.

Please note that subject to SCSBs complying with the requirements of SEBI Circular 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 CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

**Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details refer "Grounds for Technical Rejection" 131. 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, refer chapter titled "Application on Plain Paper under ASBA process".

### Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- a) apply for its Equity Shares to the full extent of its Rights Entitlements; or
- b) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or



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- c) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- d) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- e) renounce its Rights Entitlements in full.

### **Making of an Application through the ASBA process**

A Shareholders, 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. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmlid=34>.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, 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.

### **Do's for Shareholders applying through ASBA:**

- a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.



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- c) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- d) 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.
- e) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- f) 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 Shareholders applying through ASBA:**

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Registrar, the Escrow Collection Bank(s) (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.
- c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- d) Do not submit Application Form using third party ASBA account.

### **Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchange. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- (a) Name of our Company, being Vintage Coffee and Beverages Limited;





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- (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) Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
- (d) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
- (e) Number of Equity Shares held as on Record Date;
- (f) Allotment option - only dematerialised form;
- (g) Number of Equity Shares entitled to;
- (h) Number of Equity Shares applied for within the Rights Entitlements;
- (i) Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- (j) Total number of Equity Shares applied for;
- (k) Total amount paid at the rate of Rs. 12.00 per Equity Share;
- (l) Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- (m) In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- (n) Authorisation 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) All such Eligible Equity Shareholders are deemed to have accepted the following:

*"I/ We will not offer, sell or otherwise transfer any of the Rights 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 Shareholders 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 Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.*

*I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a "U.S. Person" as defined in ("Regulations"), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulations.*

*I/ We acknowledge that the Company, its 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, as applicable,



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including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders 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 Shareholders. The plain paper Application format will be available on the website of the Registrar at [www.purvashare.com](http://www.purvashare.com).

Our Company, and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders' ASBA Accounts on or before the Issue Closing Date.

### **Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of 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 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 Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The remaining procedure for Application shall be same as set out in "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" mentioned above.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.



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### ***Application for Additional Equity Shares***

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "*Basis of Allotment*" mentioned below.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares.** Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

### ***Additional general instructions for Shareholders in relation to making of an application***

- i) Please read this 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. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this 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.
- iii) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" mentioned above.
- iv) 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 authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. 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 Stock Exchange.
- v) Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- vi) 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 Shareholders for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.
- vii) 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. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the



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Depository. Therefore, Shareholders 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 Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail 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 Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar shall be liable to compensate the Shareholders 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 Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**

- viii) By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- ix) 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 Shareholders must sign the Application as per the specimen signature recorded with the SCSB.
- x) Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Shareholders 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.
- xi) 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.
- xii) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- xiii) Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.



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- xiv) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- xv) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- xvi) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- xvii) Do not pay the Application Money in cash, by money order, pay order or postal order.
- xviii) Do not submit multiple Applications.
- xix) No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
- xx) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

### **Grounds for Technical Rejection**

#### ***Applications made in this Issue are liable to be rejected on the following grounds:***

- i) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- ii) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- iii) Sending an Application to our Company, Registrar, Escrow Collection Bank(s) (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.
- iv) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- v) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- vi) Account holder not signing the Application or declaration mentioned therein.
- vii) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- viii) Multiple Application Forms, including cases where a Shareholders submits Application Forms along with a plain paper Application.
- ix) 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).
- x) 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.
- xi) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.



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- xii) Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and this Letter of offer.
- xiii) Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable.
- xiv) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demands.
- xv) If a Shareholders 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 Shareholders to subscribe to their Rights Entitlements.
- xvi) 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 and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- xvii) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- xviii) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

### Applications by non-resident Shareholders.

- a. Payment from third party bank accounts.

### **Multiple Applications**

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlementment will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "- Procedure for Applications by Mutual Funds" mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) a Shareholders submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected.

### **Procedure for Applications by certain categories of Shareholders**

#### ***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 Shareholders



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group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders 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 Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) 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:

1. Such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. 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.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

### ***Procedure for Applications by AIFs, FVCIs, VCFs and FDI route***

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / 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.



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No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

### ***Procedure for Applications by NRIs***

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Shareholders**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholders should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

### ***Procedure for Applications by Mutual Funds***

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

### ***Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")***

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.





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The last date for submission of the duly filled in the Application Form or a plain paper Application is 10<sup>th</sup> July, 2023, *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in "*Basis of Allotment*" mentioned below.

Please note that on the Issue Closing Date, (Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

### ***Withdrawal of Application***

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post the Issue Closing Date.

### ***Disposal of Application and Application Money***

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Shareholders 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.

## **CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS**

### **Rights Entitlements**

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity



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Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, [www.purvashare.com](http://www.purvashare.com).) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, [www.vcbl.coffee](http://www.vcbl.coffee)).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE498Q20014. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall 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 Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two 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.purvashare.com](http://www.purvashare.com)). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, VINTAGE COFFEE AND BEVERAGES LTD. - RE ACCOUNT - OPERATED BY - PURVA SHAREGISTRY (INDIA) PVT. LTD.) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or the Equity Shares which are



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lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by 6<sup>th</sup> July, 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

### RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

#### Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

#### Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer.

#### Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange (the "On Market Renunciation"); or (b) through an off-market transfer (the "Off Market Renunciation"), during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades



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through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders 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 Shareholders 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 Shareholders.**

### ***On Market Renunciation***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN INE498Q20014 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in 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 3<sup>rd</sup> July, 2023 to 5<sup>th</sup> July, 2023 (both days inclusive).

The Shareholders 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 INE498Q20014 and indicating the details of the Rights Entitlements they intend to trade.

The Shareholders 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 basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.



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### **Off Market Renunciation**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

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

The Shareholders 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 INE498Q20014, 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 Shareholders 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.

### **MODE OF PAYMENT**

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Shareholders 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 Shareholder'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 Shareholders 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 Letter of offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, 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.



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In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

### **Mode of payment for Resident Shareholders**

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

### **Mode of payment for Non-Resident Shareholders**

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

### **BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE**

The Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see "*The Issue*" beginning on mentioned above.



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### Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1 (one) Rights Equity Shares for every 2 (two) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circular, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 2 Equity Shares or is not in the multiple of 2 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one Additional Rights Equity Share if they apply for Additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 2 Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for Additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

### Ranking

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

### Listing and trading of the Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number LOD/PREF/CP/FIP/197/2023-24 dated 7<sup>th</sup> June, 2023. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 538920) under the ISIN: INE498Q01014. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new



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ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

### **Subscription to this Issue by our Promoter and members of the Promoter Group**

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see "*Capital Structure - Intention and extent of participation by our Promoter*" mentioned above.

### **Rights of the Rights Equity Shareholder**

Subject to applicable laws, the Rights Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote in person or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right to free transferability of Rights Equity Shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act and Memorandum of Association and Articles of Association.

### **General Terms of the Issue**

#### **Market Lot**

The Equity Shares of our Company are tradable only in dematerialised form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share.

#### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.





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### Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholders holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

### Arrangements for Disposal of Odd Lots

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be One Equity Share and hence, no arrangements for disposal of odd lots are required.

### Notices

In accordance with the SEBI ICDR Regulations and the SEBI Right Issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation and one **Marathi language national daily** newspaper with wide circulation being the **regional language of Telugu, where our Registered Office is situated.**

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their websites.

### Offer to Non-Resident Eligible Equity Shareholders/Shareholders

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by 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 Equity Shares shall be, amongst other things, subject to the conditions



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imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at Purva Sharegistry (India) Pvt. Ltd at [www.purvashare.com](http://www.purvashare.com). It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, and the Stock Exchange. Further, Application Forms will be made available at Registered Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Shareholders being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by mail at [www.purvashare.com](http://www.purvashare.com)

### **ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM**

**PLEASE NOTE THAT THE 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 SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" AS MENTIONED ABOVE**

#### **Issue Schedule**

Last date for credit of Rights entitlements	22 <sup>nd</sup> June, 2023
Issue opening date	3 <sup>rd</sup> July, 2023



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Last Date on Market Renunciation Of Rights Entitlements #	5 <sup>th</sup> July, 2023
Issue Closing Date*	10 <sup>th</sup> July, 2023
Finalisation Of Basis Of Allotment (On Or About)	14 <sup>th</sup> July, 2023
Date Of Allotment (On Or About)	14 <sup>th</sup> July, 2023
Date Of Credit (On Or About)	19 <sup>th</sup> July, 2023
Date Of Listing (On Or About)	25 <sup>th</sup> July, 2023

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

\* Our Board or the Rights Issue Committee, duly constituted and authorized by 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 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., 6<sup>th</sup> July, 2023 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., 7<sup>th</sup> July, 2023.

### Basis of Allotment

Subject to the provisions contained in this 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 Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be on equitable basis giving due regard to the holdings as on the record date and will not be a preferential allotment.



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- (d) Allotment to Renounees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

- i) 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;
- ii) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- iii) The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank(s) to refund such Applicants.

### **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 4 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 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 an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Shareholders who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.



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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 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.

#### Unblocking amounts blocked using ASBA facility.

**NACH** - National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

**National Electronic Fund Transfer ("NEFT")** - Payment of refund shall be undertaken through NEFT wherever the Shareholders' bank has been assigned the Indian Financial System Code ("IFSC Code"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Shareholders 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 Shareholders through this method.

**Direct Credit** - Shareholders having bank accounts with the Banker(s) 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

**RTGS** - If the refund amount exceeds Rs. 2,00,000, the Shareholders have the option to receive refund through RTGS. Such eligible Shareholders 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 Shareholder's bank receiving the credit would be borne by the Shareholders.

For all other Shareholders, 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 demands drawn in favour of the sole/first Shareholders and payable at par.



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Credit of refunds to Shareholders in any other electronic manner, permissible by SEBI from time to time.

### ***Refund payment to non-residents***

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

### **ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES**

#### **Receipt of the Equity Shares in Dematerialized Form**

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

**PLEASE NOTE THAT THE 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 SHAREHOLDERS 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.**

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement with NSDL and with CDSL which enables the Shareholders to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

**SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.**

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

- i) 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 Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
- ii) It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.
- iii) The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Shareholder's depository participant, would rest with the Shareholders. Shareholders should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholder's depository participant.
- iv) If incomplete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.



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- v) The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail 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 Equity Shares to the Applicant's depository account.
- vi) Non-transferable Allotment advice/ refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.
- vii) Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

### IMPERSONATION

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

*"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs. 0.1 crore 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 Rs. 0.1 crore 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 Rs. 0.5 crore or with both.

### 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) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- C. Details of all 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.



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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### UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- i) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.
- iii) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Shareholders within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- v) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- vi) Adequate arrangements shall be made to collect all ASBA Applications.
- vii) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

### SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this 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 Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.
2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "**Vintage Coffee and Beverages Limited - Right Issue**" on the envelope and postmarked in India or in the e-mail) to the Registrar at the following address:

#### **Purva Sharegistry (India) Pvt. Ltd.**

No-9, Shiv Shakti Industrial Estate, Ground Floor,

J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel, Mumbai - 400 011.

Tel No.: 022-2301 6761 / 2301 8261,

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

E-mail ID: [support@purvashare.com](mailto:support@purvashare.com)

Contact Person: Ms. Deepali Dhuri

SEBI Registration No: INR000001112





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3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar (i.e, Purva Sharegistry (India) Pvt. Ltd at [www.purvashare.com](http://www.purvashare.com)). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 022-2301 6761 / 2301 8261.

(i) The Shareholders can visit following links for the below-mentioned purposes:

4. Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: [www.purvashare.com](http://www.purvashare.com)).
5. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: [www.purvashare.com](http://www.purvashare.com)).
6. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: [www.purvashare.com](http://www.purvashare.com)).
7. Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: [support@purvashare.com](mailto:support@purvashare.com).

This Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).



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## VINTAGE COFFEE AND BEVERAGES LIMITED

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### RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("FDI") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("DPIIT"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("FDI Circular 2020"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (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 Takeover Regulations; (ii) the non-resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and RBI has



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subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

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



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## **VINTAGE COFFEE AND BEVERAGES LIMITED**

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### **STATUTORY AND OTHER INFORMATION**

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.



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### SECTION IX - OTHER INFORMATION

#### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

*The copies of the following documents and contracts referred to in para (A) 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 Letter of Offer.*

*Copies of the above mentioned contracts and also the documents for inspection referred to in para (B), may be inspected at the Registered Office and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Letter of Offer until the closure of the subscription list.*

*Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.*

#### A) MATERIAL CONTRACTS

1. Agreement dated 18<sup>th</sup> May, 2023 between our Company and M/s Purva Sharegistry (India) Pvt. Ltd, Registrar to the Issue.
2. Tripartite Agreement dated 6<sup>th</sup> June, 2014 between our Company, National Securities Depository Ltd. (NSDL) and Registrar to the Issue;
3. Tripartite Agreement dated 9<sup>th</sup> April, 2014 between our Company, Central Depository Services (India) Limited (CDSL) and Registrar to the Issue;
4. Banker(s) to the Issue Agreement dated 14<sup>th</sup> June, 2023 amongst our Company and the Registrar to the Issue and the Escrow Collection Bank(s).

#### (B) DOCUMENTS FOR INSPECTION

5. Certified copy of the Memorandum of Association and Articles of Association of our Company as amended from time to time.
6. Certificate of Incorporation dated 25th April, 1980.
7. Fresh Certificate of Incorporation dated 15<sup>th</sup> July, 2021.
8. Copy of the resolution of the Board of Directors under Section 62 of the Companies Act passed in its meeting dated 18<sup>th</sup> May, 2023 authorizing the Issue.
9. Resolution passed by the Right Issue Committee dated 13<sup>th</sup> June, 2023 determining the Record date.
10. Consents of the Directors, Company Secretary and Compliance Officer, Statutory Auditor and Registrar to the Issue to include their names in the Offer Document to act in their respective capacities;



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**VINTAGE COFFEE AND BEVERAGES LIMITED**

(CIN- L15100TG1980PLC161210)

11. Annual reports of our Company for the financial years ended March 31, 2020, 2021 and 2022;
12. A statement of tax benefits dated 18<sup>th</sup> May, 2023, received from M/s. S. Bhalotia & Associates, Chartered Accountants, Statutory Auditor regarding tax benefits available to our Company and its shareholders;
13. Restated Audited financial results along with Audit report dated 13<sup>th</sup> June, 2023 received from M/s. S. Bhalotia & Associates, Chartered Accountants, Statutory Auditor for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021.
14. Certificate dated 18<sup>th</sup> May, 2023 from M/s. S. Bhalotia & Associates, Chartered Accountants regarding "Sources & deployment of funds";
15. In-principle listing approval(s) dated 7<sup>th</sup> June, 2023 from BSE Limited;

Any of the contracts or documents mentioned in the Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.



## VINTAGE COFFEE AND BEVERAGES LIMITED

(CIN- L15100TG1980PLC161210)

### DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

Name	Signature
Mr. Tati Balakrishna Managing Director DIN: 02181095	Sd/-
Mr. Venkateshwarlu Tati Non-Executive Director DIN: 03044421	Sd/-
Mr. Mohit Rathi Non-Executive Director DIN: 07184150	Sd/-
Mr. Ajay Poonia Non-Executive Director DIN: 07566017	Sd/-
Ms. Aakanksha Non-Executive and Independent Director DIN: 08792778	Sd/-
Mr. Bala Vinod Sudam Non-Executive and Independent Director DIN: 03313282	Sd/-
Mr. Yarkali Kranthi Kumar Chief Financial Officer PAN: ABQPY7575F	Sd/-
Ms. Sushma Vangari Company Secretary and Compliance officer PAN: HIUPS3654F	Sd/-

Place: Telangana  
Date: 19<sup>th</sup> June, 2023