



CORPORATE PRESENTATION

January 2021



Key points

PRESENTATION FRAMEWORK

- Executive summary
- Introduction
- Products
- Industry Overview
- Financial highlights & Way forward
- Add Shop E-Retail Ltds achievements

EXECUTIVE SUMMARY



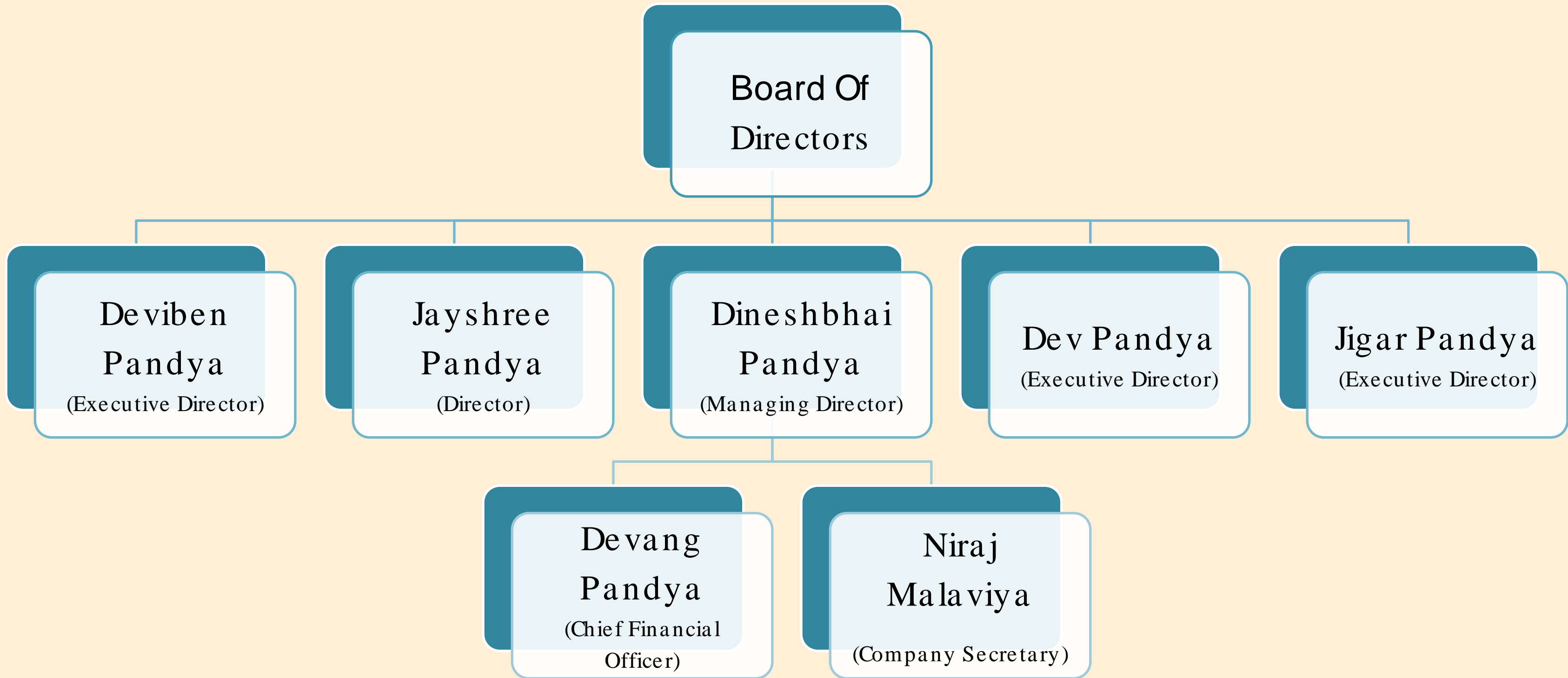
- Incorporated in the year 2013, Add Shop E-Retail Limited (ASEL) was founded by first generation entrepreneur Mr. Dinesh Pandya and his wife Mrs. Jayshreeben Pandya.
- It has emerged as one of the pioneers in promoting organic farming in the country and manufacturing organic farm products as substitutes of harmful chemical products like urea, DAP, etc.
- For healthy living, the company has developed range of Ayurveda and Herbal products as Health supplements and for Personal care.
- Around more than 100,000 customers are associated with the company through approximately 7300 active distributors as well as 380 active franchisees having reach within around 25 states across our nation.
- Management visions to counter two basic problems of our nation - unemployment & unhealthiness.
- The company is crusading to replace old farming ways with organic farming and promoting our ancient Ayurveda.
- Company manufactures its high quality products through its own two fully automated manufacturing units which are FDA, HACCP, GMP, ISO 9001:2008, ECOCERT, and KVIC (Khadi and Village Industrial Commission, Government Of India) certified.

MR DINESH PANDYA, CMD



- He is visually impaired person even with this disability he has become a successful 1st generation entrepreneur
- His entrepreneur spirit, his social-economic activities have helped him bag many achievements like:
 - "Shram-Ratna" award from labor & employee department, Gujarat Government
 - "Best businessman in history of blind person" awarded by Central Government
 - "Best canvassing organic farming" award from District agriculture department
 - "Best manufacturing Unit" by Khadi & Village industrial commission, GOI
 - "Golden book of world records"(USA) achieved for mosy village assemblies addressed by a differently able person
- He has been instrumental in successfully conducting more than 1200 gram shibir with farmers across India

Board of Directors



Vision and Mission



- “ Poison less farming prosperous farmer”
- “healthy wealthy and prosperous India”
- “To provide employment to 1 Crore People”
- “To reach ‘Khadi’ to every household”

WHAT DO WE DO TO PROMOTE HEALTHY LIVING?

- The company has built a vast bouquet of products with sole motive of promoting 'Healthy Living'. It produces & distributes around 120 products through traditional & online channels in categories like:

- ✓ Ayurveda Supplements
- ✓ Food Supplements
- ✓ Herbal Cosmetics
- ✓ Personal Care
- ✓ Home Care
- ✓ Organic Fertilizer
- ✓ Animal Feed Supplement
- ✓ Khadi Clothing's
- ✓ Feminine Hygiene





UNIQUE AND ROBUST DISTRIBUTION MODEL

- Add-shop has an unique distribution model, where the customers consume the product and refer it to others by earning commission.
- This robust distribution model can help the Company to grow exponentially.
- It has various across 25 States with 100,000 active retail consumers and 7300 Active Distributors.
- The company intends to expand its reach pan-India by adding almost double Distributors across 25 States.

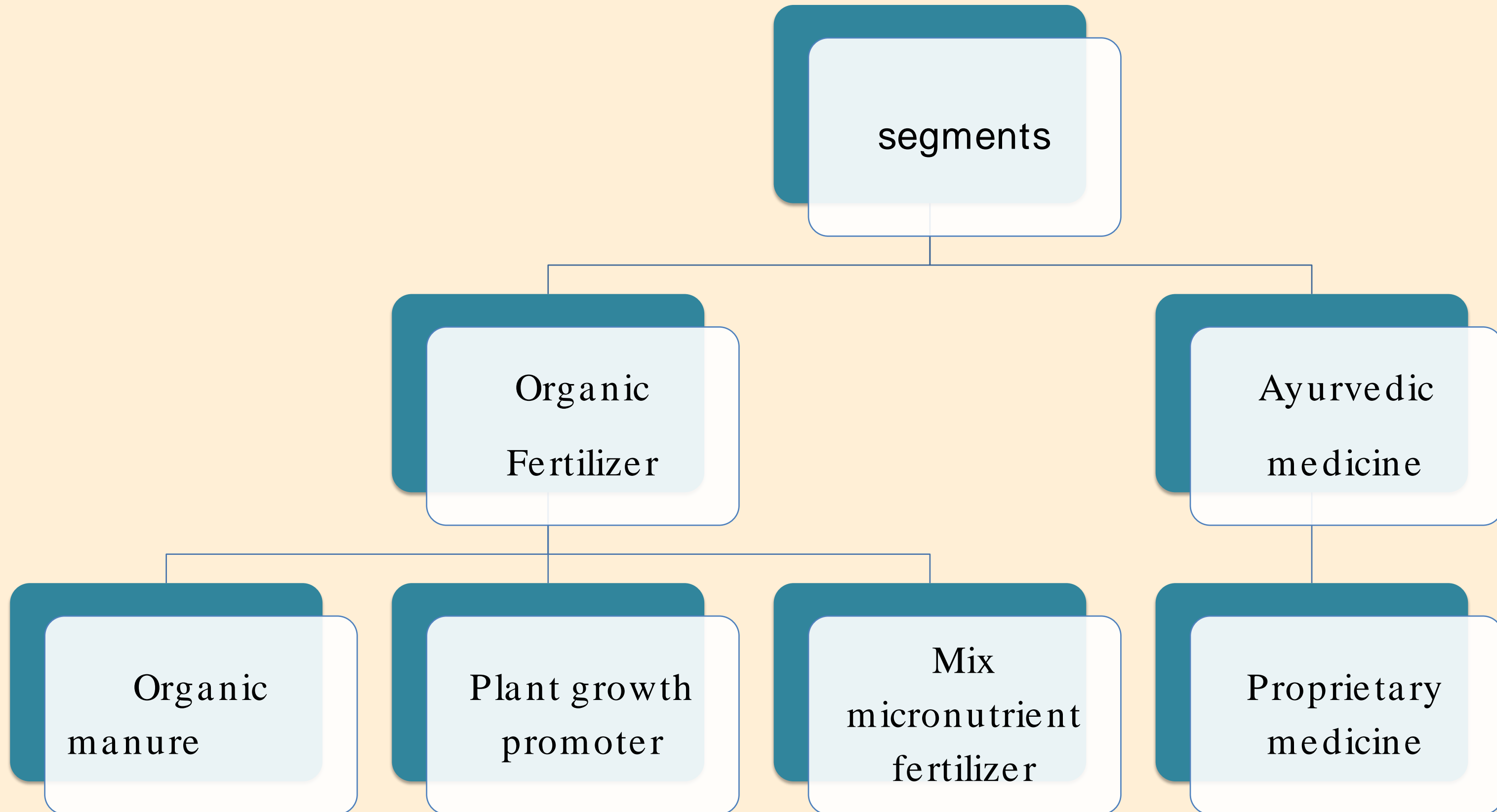


MANUFACTURING FACILITIES

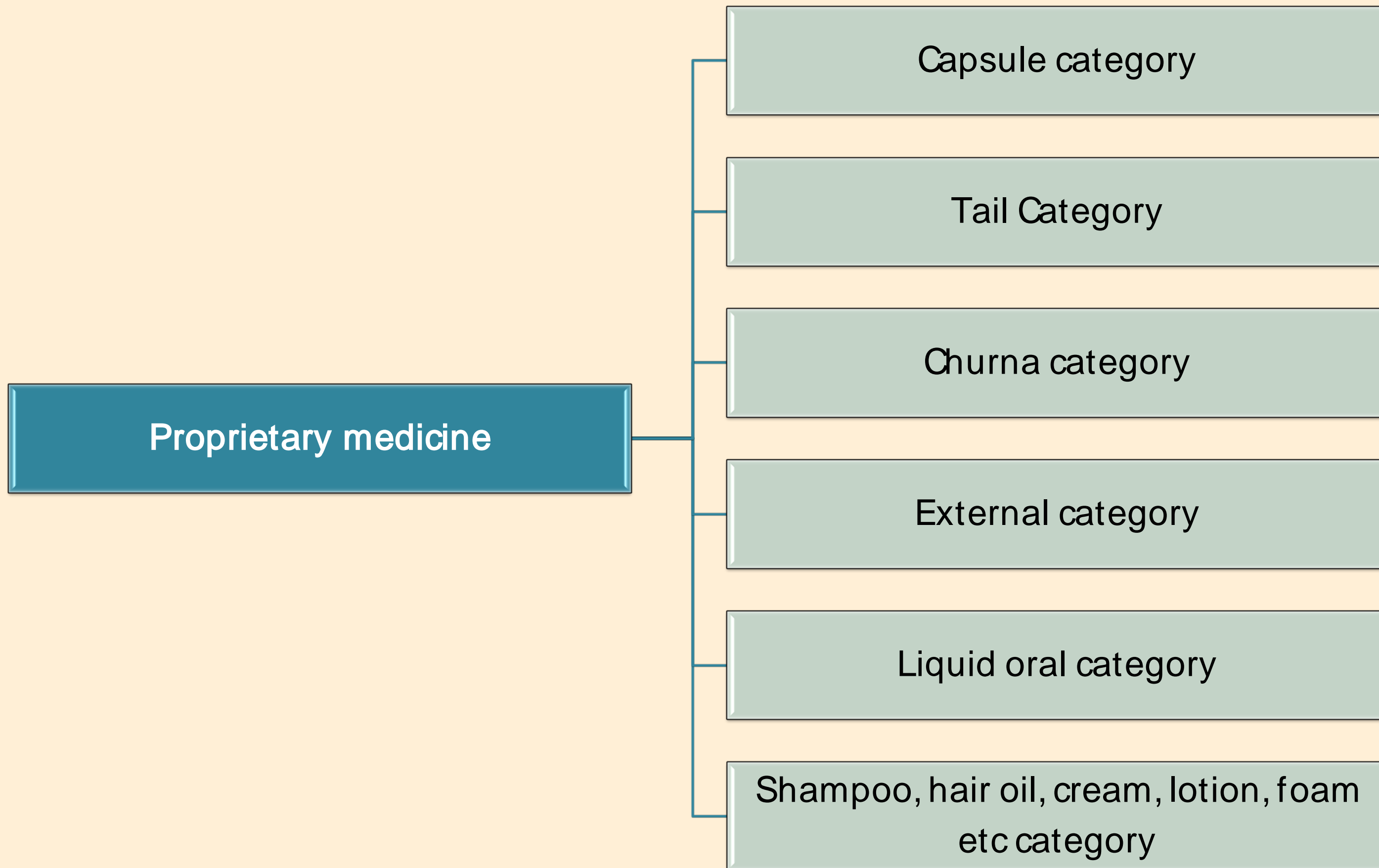


ADD SHOP E-RETAIL LIMITED

Exclusive Product Range



Exclusive Product Range



- In Agriculture range, company has research based organic solutions which is an alternative of harmful chemical based farming. It decreases cost of farming as well increase quality of produce
- It started with 2 products related for Agriculture segment in 20 15, as of now it has expanded it to 10 unique products
- It has capacity to process raw material of around 30 Metric tonnes(MT) per day .
- 100% in-house manufacturing



Uniquely positioned as a 'Fully Integrated Organic Farm player'



- Add-shop has forayed into farming activities- lease model with the aim of changing farming pattern.
- For this Add-shop would leverage the existing relationship with the farmers by way of Seminar, Gram Sabha, Supply of its organic products and extent its relationship by entering into various lease farming arrangements with those farmers.
- The Company is endeavoring in providing complete end-to-end solutions in terms of the organic farm segment.
- Add-shop is planning to start food processing of various organic farm products which it has established through various Lease farming arrangements.
- The Company's vision is to sell organic farm products as well as organic food products processed by them in both the Domestic as well as Exports market.
- This will provide great strength to the Company in setting it's footsteps in the Global markets.
- Over the next few years, the Company is planning to add ~100,000 acres for 'lease farming'.

End-to-End organic farming chain



Ayurvedic Products



- Ayurveda is one of the oldest known medical systems in human history, an ancient Indian approach of holistic medicine that is still contemporary and encompasses all aspects of Predictive, Preventive, Personalized, and Participatory medicine for dealing with healthy and diseased individuals with an additional component of promotion of health.
- Although, 75% of Indians avail Ayurveda, a major fraction map to rural India where it is the preferred primary healthcare system.





In-house developed and manufactured New Ayurvedic products

- With the help of expert research & development team, Add-shop has recently launched seven Ayurvedic products for boosting Immune systems.
- New range of products includes DADAJI GAUPIYUSH CAPSULE, DADAJI KARKYUMAX CAPSULE, DADAJI IMMUMAX Capsule, DADAJI FLUMIN SYRUP, DADAJI DYZALEX CHURNA, DADAJI MADHUMIN CHURNA, DADAJI PAINODEX OIL with different usages and unique specifications.
- This launch is in-line with the company's philosophy of reviving the age-old practices of medicinal treatment – 'Ayurveda'.
- With much efforts of the team, Add-shop has successfully made immune modulator from cow colostrum which has numerous benefits such as boosting the immune system to fight against various serious diseases like cancer, diabetes, arthritis as well as recent outbreak of COVID – 19.

In-depth Product Knowledge



- With some 15 years of experience in this field, the Company has strong R & D team who constantly watch over the technology, weather changes, economy, better result, quality and etc.
- Add-shop is always focused on good quality product. With a lot of experiments and research the Company assures to provide best quality products to the customers.
- The Company has a team of experts who look after customers need and preferences, and this R&D team keeps improving their products as per the requirements of the market.
- With the aim of reviving every individual to age-old practices, Add-shop with the help of research team develop their products that are affordable to even the common man of the society.

Bitus

Herbal Cosmetics

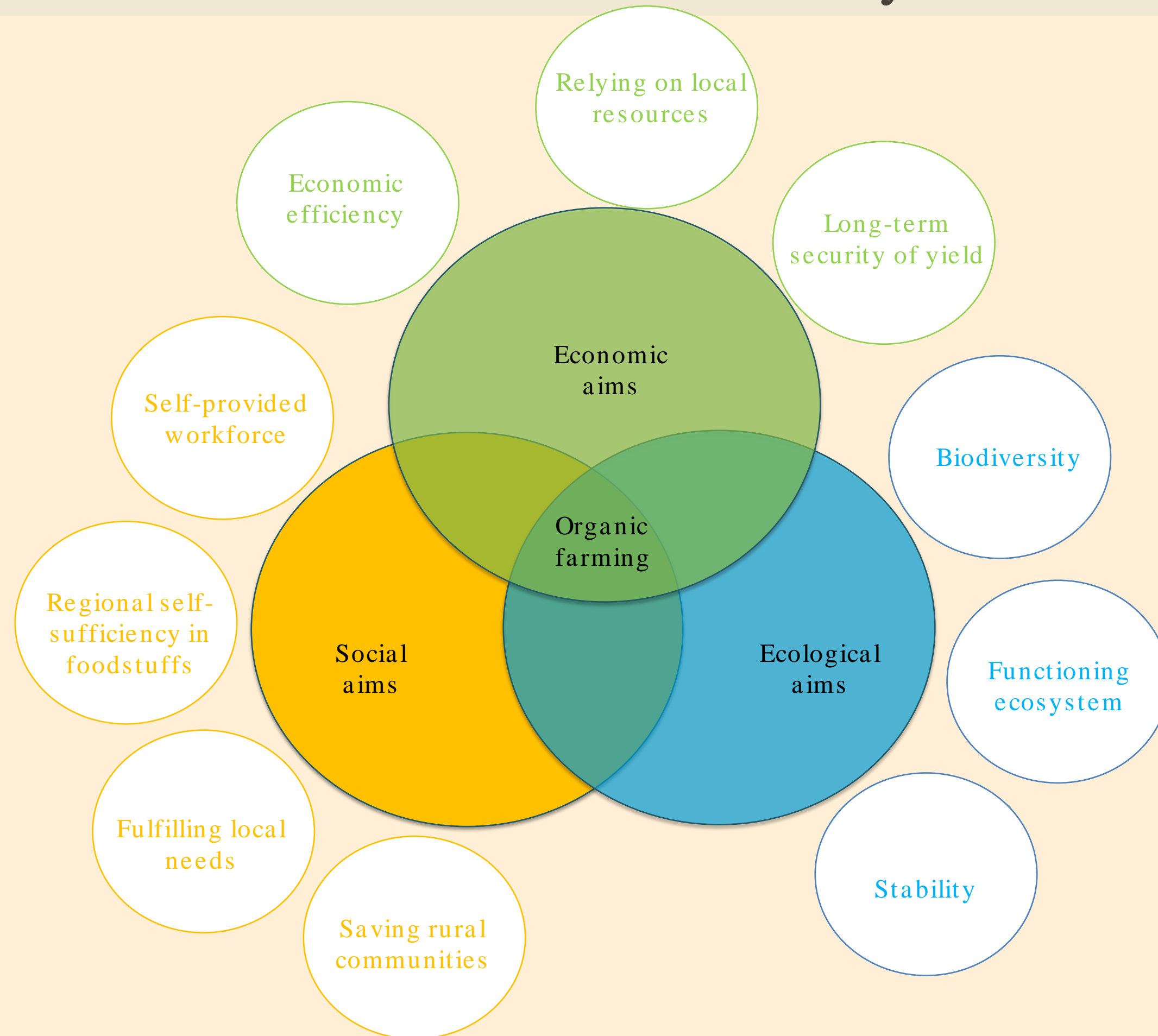


ANCIENT ORGANIC FARMING METHODS



- Organic farming has thrived in India since ancient times, with the Indian cow – “Kamadhenu”, providing the natural fertilizers and other inputs.
- Farmers use organic manure as a nutrient for their own farms. North- Eastern region of India provides huge resource for organic farming due to low use of chemicals. About 18 million hectares of land is available in the North Eastern region of India where people do organic farming.
- India has great potential to grow crops organically and can be a major supplier of organic products in the world.
- One of the main features of organic farming is that it maintains soil quality .
- Organic farming system is able to deliver agronomic and environment benefit both through structural change and tactical management of farming system.
- The benefits of organic farming include: to developed countries (environment protection, Increase of biodiversity, reduce energy use and CO2 emissions) and for developing countries like India (efficient use of resources, increase in crop yields, environment and biodiversity safeguarding, etc.).
- There is evidence that food that’s grown organically are rich in nutrition such as Vitamin C, magnesium, iron and phosphorus.
- Zero budget natural farming is now being adopted successfully in some states, providing notable increases in farmers’ net income by sharply reducing costs of production and improving incomes by raising yields and improving the quality of agricultural produce. This method of farming is considered highly cost-effective and environment friendly.
- The Coronavirus pandemic resulted into greater opportunity for Indian Organic food.

ORGANIC FARMING Multifunctionality



Contract/ Lease Farming - leads to economies of scale



- Contract/ Lease farming is a process by which farmers sell a certain quantity of any farm products (including poultry and livestock intended for human consumption) to an industrial company at a predetermined agreement.
- In principle, the industrial company has secure access to the raw material needs and the farmers have a secure market.
- The Parliament has passed bill called **Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020** which offers 'contract/ Lease farming' to strengthen the agriculture sector and to create an ecosystem for helping India to emerge as an economic power.
- It aims to provide for a uniform national framework on farming agreements that protects and empowers farmers to engage with agri-business firms, processors, wholesalers, exporters or large retailers for farm services and sale of future farming produce at a mutually agreed remunerative price framework in a fair and transparent manner.

NEW FARM POLICY



- To respond to challenges from climate change and to enhance farmer incomes, Department of Agriculture and Farmers' Empowerment released the Odisha Organic Farming Policy, 2018.
- The aim is to undertake 360-degree development of organic farming in the state and increase the acreage from 20,800 hectares currently to at least 200,000 hectares in the next five years.
- While encouraging a shift to organic farming, the emphasis will be on market driven production programmes where the produce can be sold at premium prices. Systems will be put in place to ensure easy certification of such organic produce.
- Organic farming of niche commodities will be promoted in regions where the state has comparative advantage. To begin with, organic farming for low-volume, high-value crops like spices, medicinal plants, etc., fruits and vegetables will be promoted with R&D support.
- Availability of organic manures in adequate amounts and at affordable costs to the farmers will be ensured.
- Targeted efforts to create a market for niche products will be made. Spices and vegetables unique to the state will be branded by the Spice and Horticulture Board to encourage their production. Certification facilities will be provided.
- Rapid progress has also been made in organic farming techniques, which have helped improve incomes of farmers. These will be carefully examined for possible application across the state.

GROWTH OPPORTUNITY



- Consumer consciousness of natural, healthy and safe foods is on the rise and at the same time consumers are increasingly willing to pay higher price for organic foods as disposable incomes are on rise.
- Organic foods is one that fall into the high-scale, high-margin opportunity bracket.
- This high-scale opportunity is driven by the fact that organic food consumption is not even 0.1% of India's \$300 billion annual food consumption. Likewise, India's share in the \$100 billion global organic food market is less than 0.2 percent.
- The scale of the opportunity is also driven by the increasing variety of organic foods hitting the market and the emergence of ecommerce as a channel through which organic products are sold.
- The Indian government is supporting & promoting organic farming by extending financial help to farmers adopting organic farming. Various schemes like Mission for Sustainable Agriculture (NMSA), Mission for Integrated Development of Horticulture (MIDH), National Food Security Mission (NFSM) and Rashtriya Krishi Vikas Yojana (RKVY) have been implemented to promote the sector.
- GOI has also implemented the National Programme for Organic Production (NPOP) which involves accreditation programme for certification bodies, standards for organic production, promotion of organic farming etc.

ORGANIC FARMING VALUE CHAIN

- India is home to 30 per cent of the total organic producers in the world, but accounts for just 2.59 per cent (1.5 million hectares) of the total organic cultivation area of 57.8 million hectares, according to the World of Organic Agriculture 2018 report

WHY ORGANIC FOODS COST MORE


Industry estimates of the additional cost incurred in producing them

8-10%
Farmer training



10-15%
Premium paid to farmers

4-6%
Processing cost
(without chemical additives)



6-8%
Inventory holding cost
(including storage losses as no chemical fumigants are used)



6%
Logistics and distribution cost
(since volumes are lower)



3%
Packaging cost
(to ensure quality and shelf life)




12%: Retailer margin

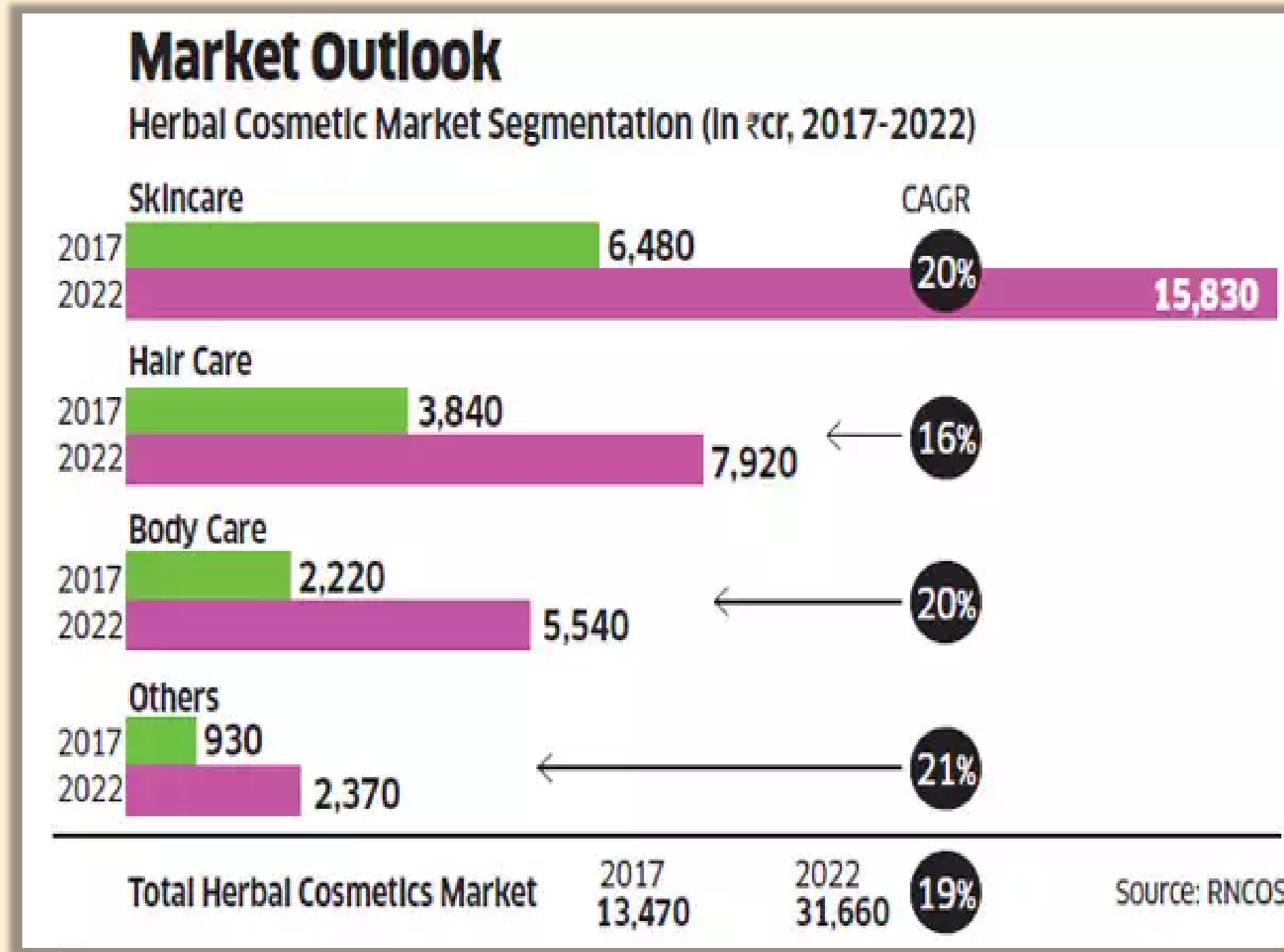
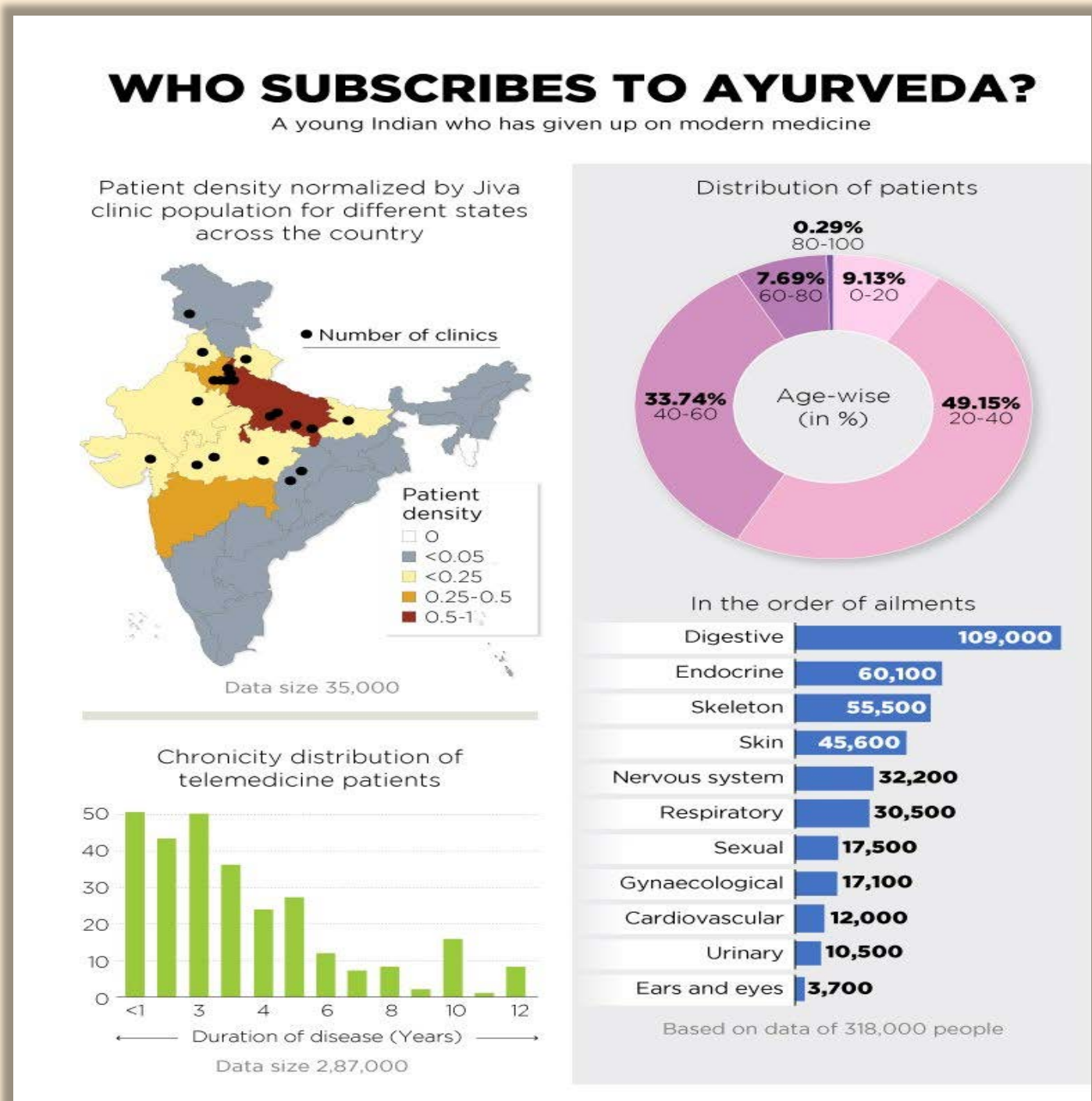
ANCIENT AYURVEDA WAY OF LIVING



- People nowadays are adapting to an age-old lifestyle method which is more than 5000 years old.
- It is the oldest continually practiced medical system around the globe. It's called "Ayurveda" which gives us a new way of living our life with a touch of traditional resources.
- The word "Ayurveda" is derived from the Sanskrit language. The term "Ayur" in Sanskrit means "Life" and the term "Veda" means "knowledge". According to the literal meaning of the word "Ayurveda", one can understand the system of life.
- As Ayurveda is an old term method it has been evolving according to modern times and to meet the evolution of the human being. Ayurveda can be termed as a logical & practical method that helps to connect with the Earth & ourselves.
- Ayurveda is often recognized as an "Energetic form of Medicine" because of its respect towards understanding the fundamental quality of life.
- Ayurveda is a unique blend of three forms which determines our individuality for who we are. People often tend to get confused about Ayurveda as a food or a single method to follow. But it's not, Ayurveda is a way of understanding nature on your own. Once you know your nature then it's easy for oneself to understand different foods, herbs, climate changes & therapies which suits your life and metabolism.
- Ayurveda gives the choice of foods that support peoples' health & lifestyle. Random food choices may result in fatigue and illness. There is no such concept of "Good or Bad" food as each and every food affects different people in different ways.
- Through Ayurvedic lifestyle, a person gets the knowledge about which food brings him good health and which brings bad.
- In the olden text of Ayurveda i.e Caraka Samhita, it is mentioned to adapt the Ayurveda in our local culture, climate, food & medicine. If we follow the old scriptures and text about Ayurveda we must infuse Ayurveda as a lifestyle in our daily lifestyle which will indeed give us the best present of the health system to prevent severe disease.
- That is the reason Ayurveda is not about food or herbs, it is about viewing your life in a whole new way and that's why it's called "Ayurveda A Way of Living".

Ayurvedic Products Market Outlook

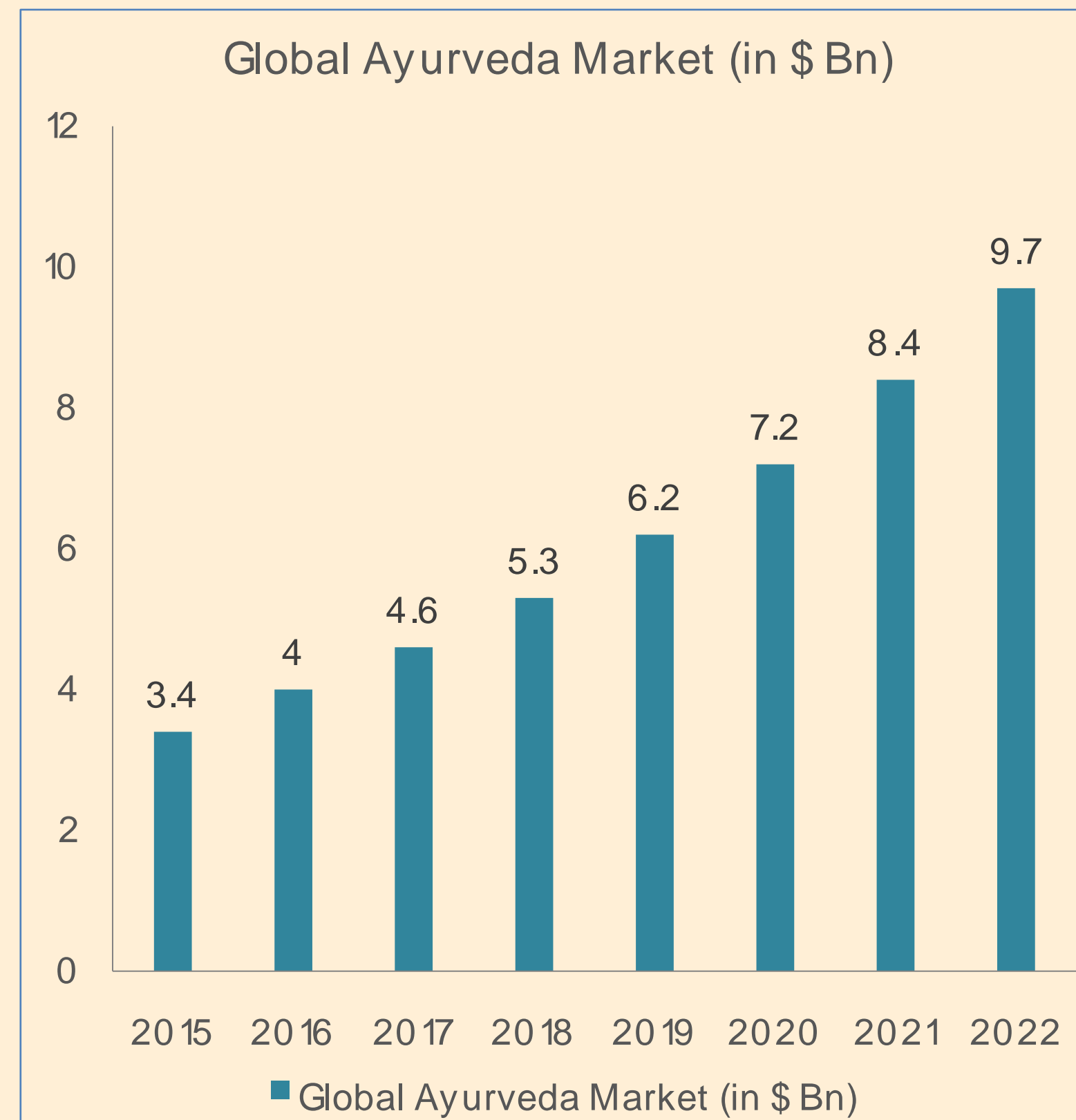
- "India's Ayurvedic products market is projected to register a CAGR of 16% during 2016-2021"





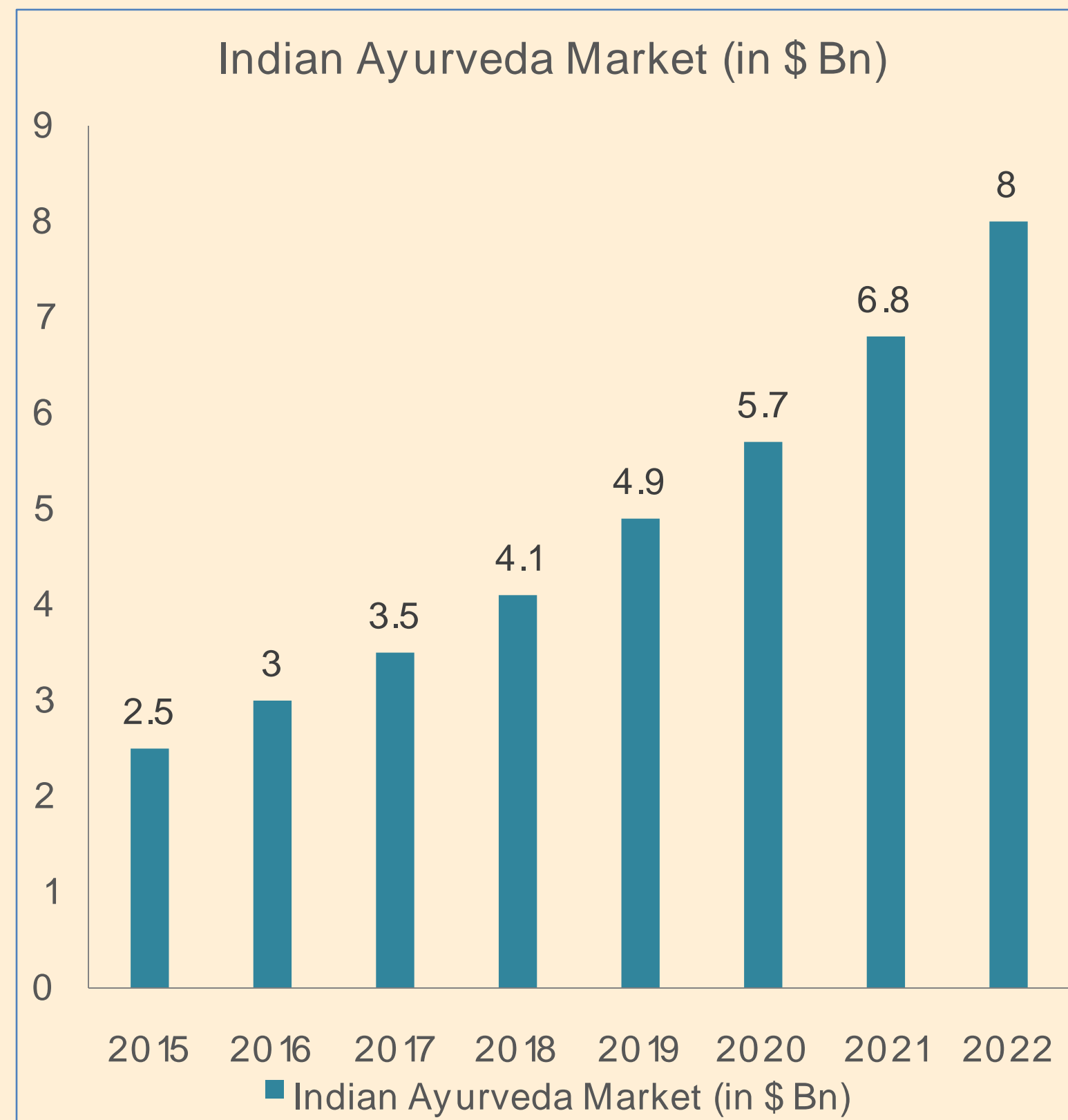
Ayurvedic Products Market Outlook

- Much like any other industry, the sector has also turned to technological advancement in order to develop its capabilities and maintain relevance in the contemporary scenario. Not only have Ayurveda retailers and therapists established a stronghold in the Indian market, they have also begun to displace some of the most prominent healthcare firms in the country.
- The popularity of Ayurveda has also spread to the global market, which is evident from the steady growth in the Ayurveda market worldwide in recent years. Last year, the value of the global Ayurveda market stood at \$4.6 billion, a figure that is expected to reach \$5.3 billion this year and as high as \$9.7 billion by 2022.
- A huge portion of this market is still driven by Indian consumers. India's Ayurvedic market stood at a value of \$3.5 billion last year, which is not only expected to jump to \$4.1 billion by the end of this year, but also expected to reach \$8 billion by 2022. Among other factors, this growth will be driven by the fact that 77% of Indian households utilized Ayurvedic products in 2017.



Ayurvedic Products Market Outlook

- Rather than its traditional role as a provider of specific remedies to cure illness of one kind or another, Ayurveda has now become a bigger part of people’s day-to-day lives. In essence, Ayurveda now offers “solutions for lifestyle and wellness-related issues” in addition to being an alternative form of medicine.
- Within the remedial sphere as well, an increase in investment in Ayurveda research and development has enhanced its capabilities to tackle modern healthcare issues, and has offered more scientific backing to its abilities, something that has historically remained a contentious issue.
- This two-dimensional improvement in its profile has brought about what it terms as **Ayurveda 2.0**. The new paradigm includes the apparent shifts in the profile of various stakeholders, including “Ayurvedic industries, including Ayurveda hospitals, clinics, products, manufacturers and practitioners.”





Organic Personal Care Products Market Outlook

- The global organic personal care market size was estimated at USD 13.33 billion in 2018 and is projected to register a CAGR of 9.4% from 2019 to 2025. Increasing demand for cosmetics and skin and hair care coupled with rising need for environment- and animal-friendly products is expected to drive the growth.
- Rising R&D expenditure to introduce improved plant and animal extracts into various products is expected to further promote the product demand.
- Furthermore, stringent regulations promoting the use of organic materials in skin care industry are likely to propel market growth.
- The market includes a wide variety of products for the protection of hair, skin, and oral health, along with cosmetics, oils, body sprays, perfumes, and masculine and feminine hygiene product among others.

Derived from natural resources and are free from harmful chemicals

GROWTH DRIVERS

- Growing awareness regarding various benefits of organic products as compared to their synthetic counterparts has resulted in an upsurge in their demand over the last few years. This trend is expected to continue over the forecast period.
- Growing popularity is the key factor driving demand for natural products. Growth of distribution channels in urban areas has made these products easily accessible to consumers.
- As these products reflect the growing aspirations of consumers for better hygiene, health, and beauty in modern times, their adoption has exhibited significant growth. Oral care and other niche products are expected to slowly grow in prominence with the help of R&D efforts by various manufacturers.
- Consumers these days are willing to pay high prices for premium products. Customers prefer more expensive organic products, especially in countries such as the U.S., China, Japan, and India. This is due to organic products promoted as being inherently better in comparison to conventional synthetic products.



CHANGING LIFESTYLE TRENDS



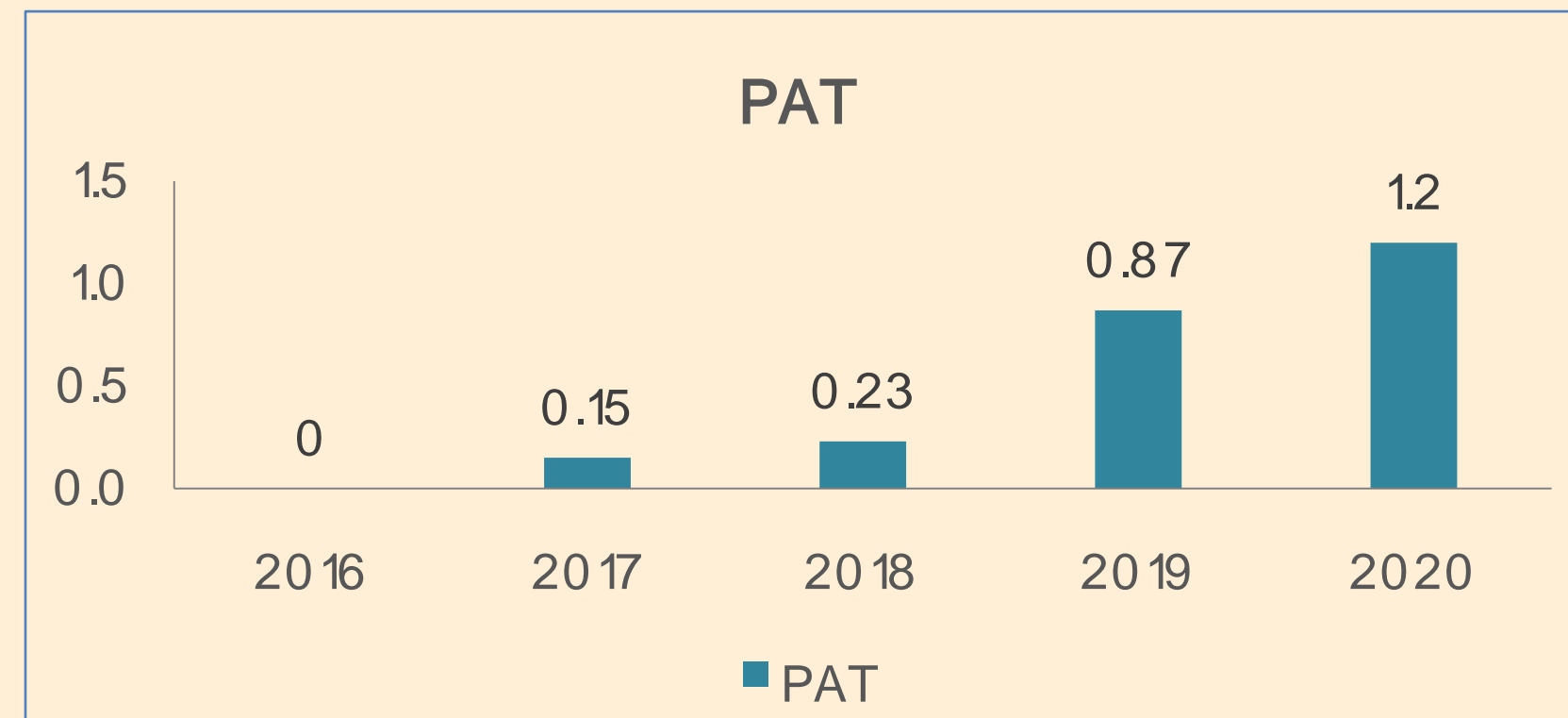
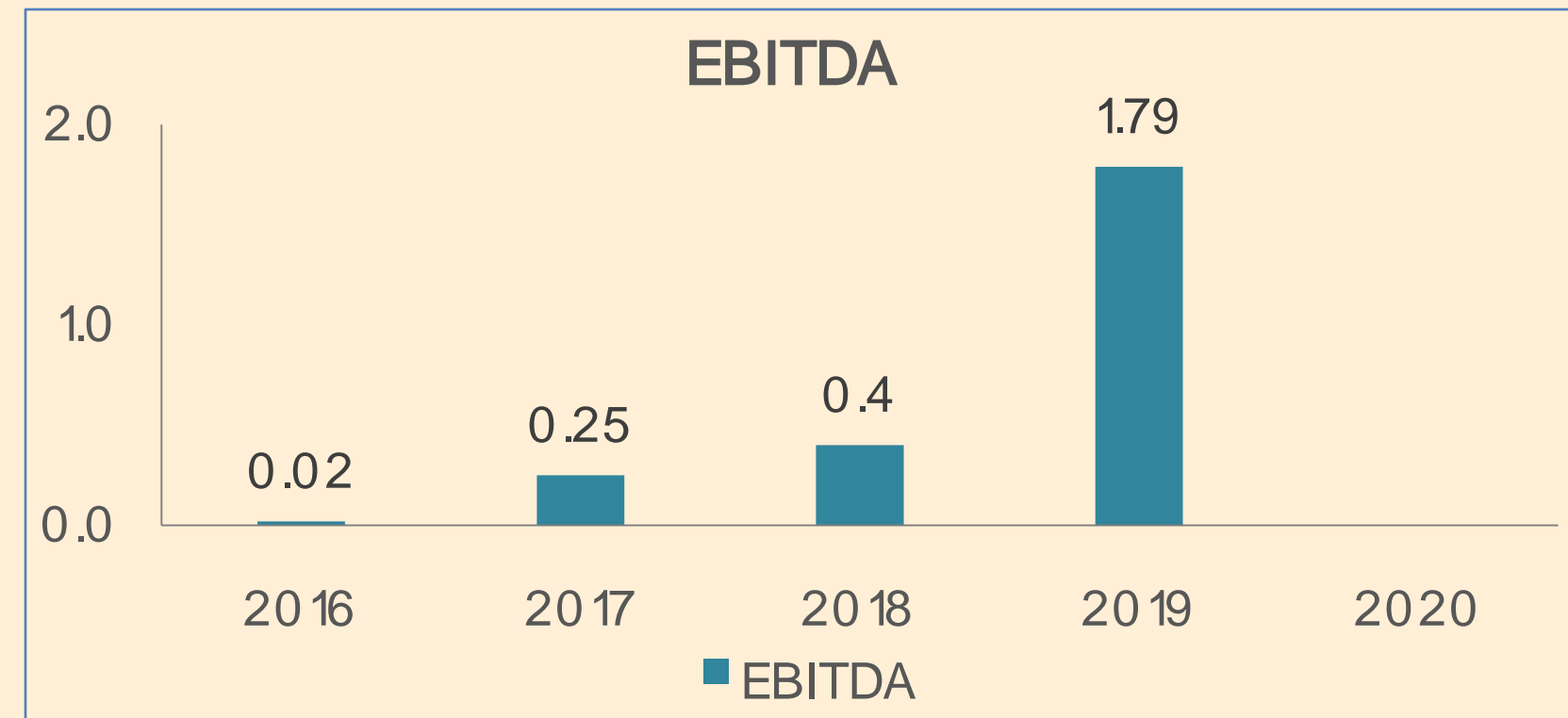
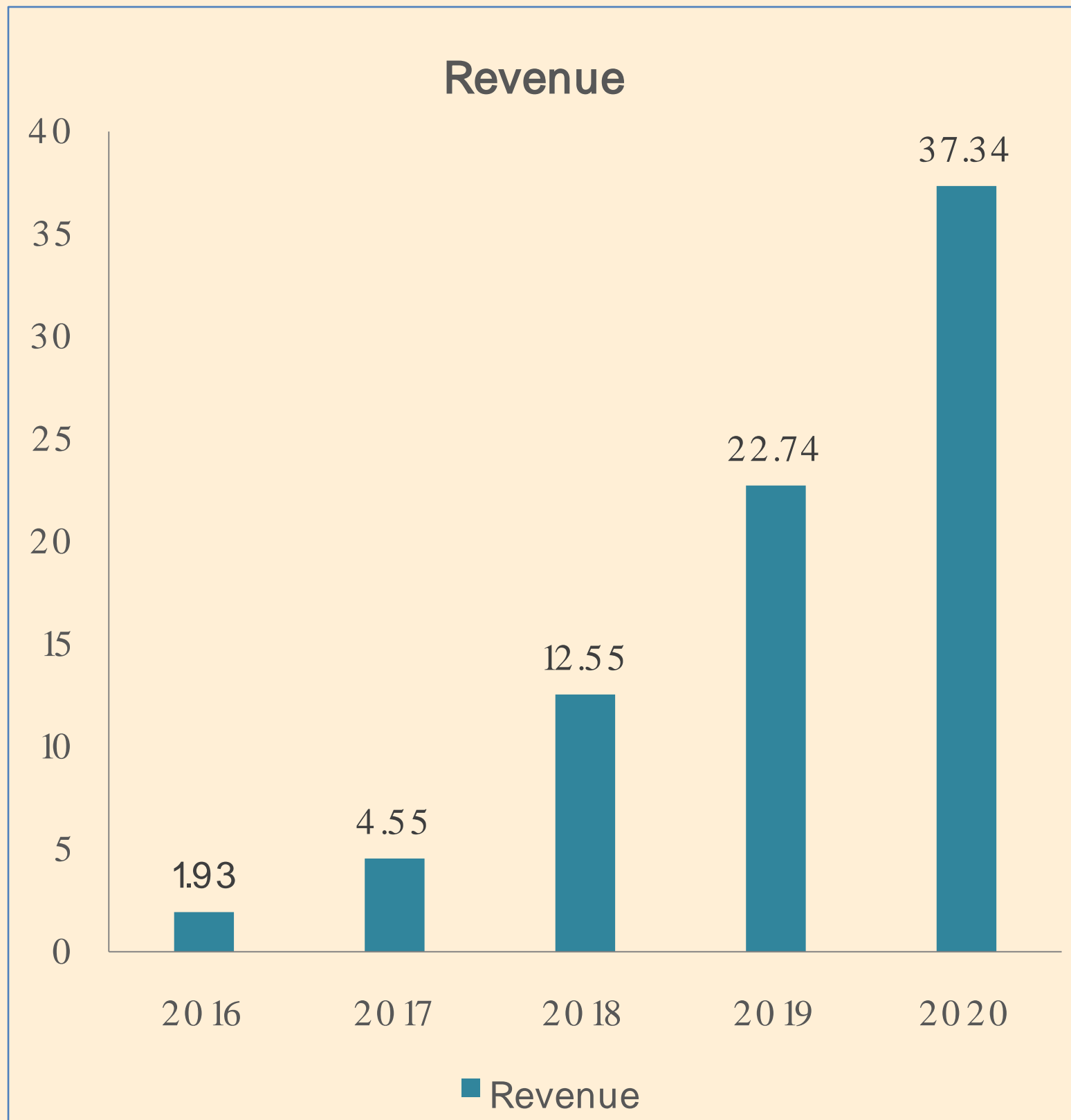
- Increasing human diseases like allergies, obesity and nutritional deficiencies across the world has pushed consumers to choose healthier food options that would drive the organic food market.
- The off-shore demand for organic food market is one of the major drivers of organic agriculture in India, due to relatively increased returns with lesser input costs.
- With rising disposable incomes and increasing awareness of health and wellness aspects, consumers are opting for healthier alternatives, especially for children and in the post, the mid-age group would propel the product growth.
- Global Organic Food Market is expected to grow at a CAGR of over 15% during 2018-2026 in terms of value. This growth is driven by several factors such as a rise in consumer awareness towards health and food, increasing disposable income, major lifestyle changes among the younger crowd and emerging concerns for environmentalists, etc.
- Organic agriculture is intended to produce high quality, nutritious food leads to better health and well-being of the consumers.
- Though, the higher cost of organic food products still makes it affordable only to a specific section of society, the Government and various social organization are promoting the use of organic products.

FINANCIAL HIGHLIGHTS (Income Statement)



Rs. In Mn.	Q3FY2021	Q2FY2021	YOY%	9MFY2021	FY2020
Total Revenue	239.84	153.93	56	497.42	374.32
Raw Material Cost	166.54	103.55	61	325.65	245.34
Employee Benefits Expense	2.75	2.61	5	7.27	11.48
Other Expense	34.37	29.85	15	97.05	90.70
EBITDA	36.18	17.92	102	67.46	26.80
EBITDA Margin (%)	15%	12%		13.56%	7.16%
Depreciation And Amortization	0.66	0.49	35	1.79	2.31
Finance Cost	1.59	0.64	148	3.09	7.37
Profit Before Tax	33.93	16.79	102	62.59	17.13
Tax	8.62	4.41		16.11	5.09
Profit After Tax	25.31	12.38	104	46.48	12.04
PAT Margin (%)	11%	8%		9.34%	3.22%
Basic EPS (Rs)	2.23	1.09		4.10	1.86
Diluted EPS (Rs)	2.23	1.09		4.10	1.86

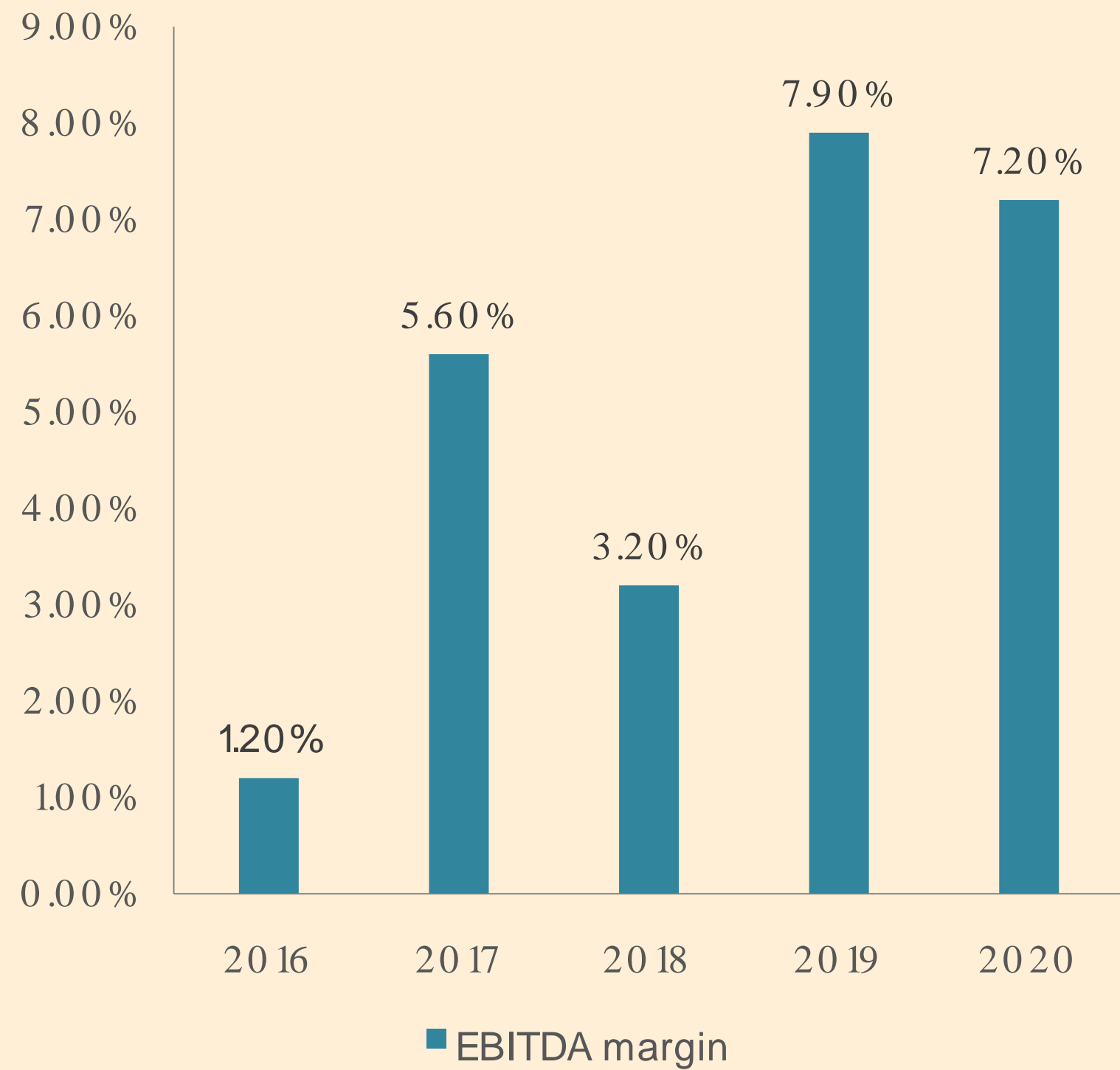
Improving Scales of Operation



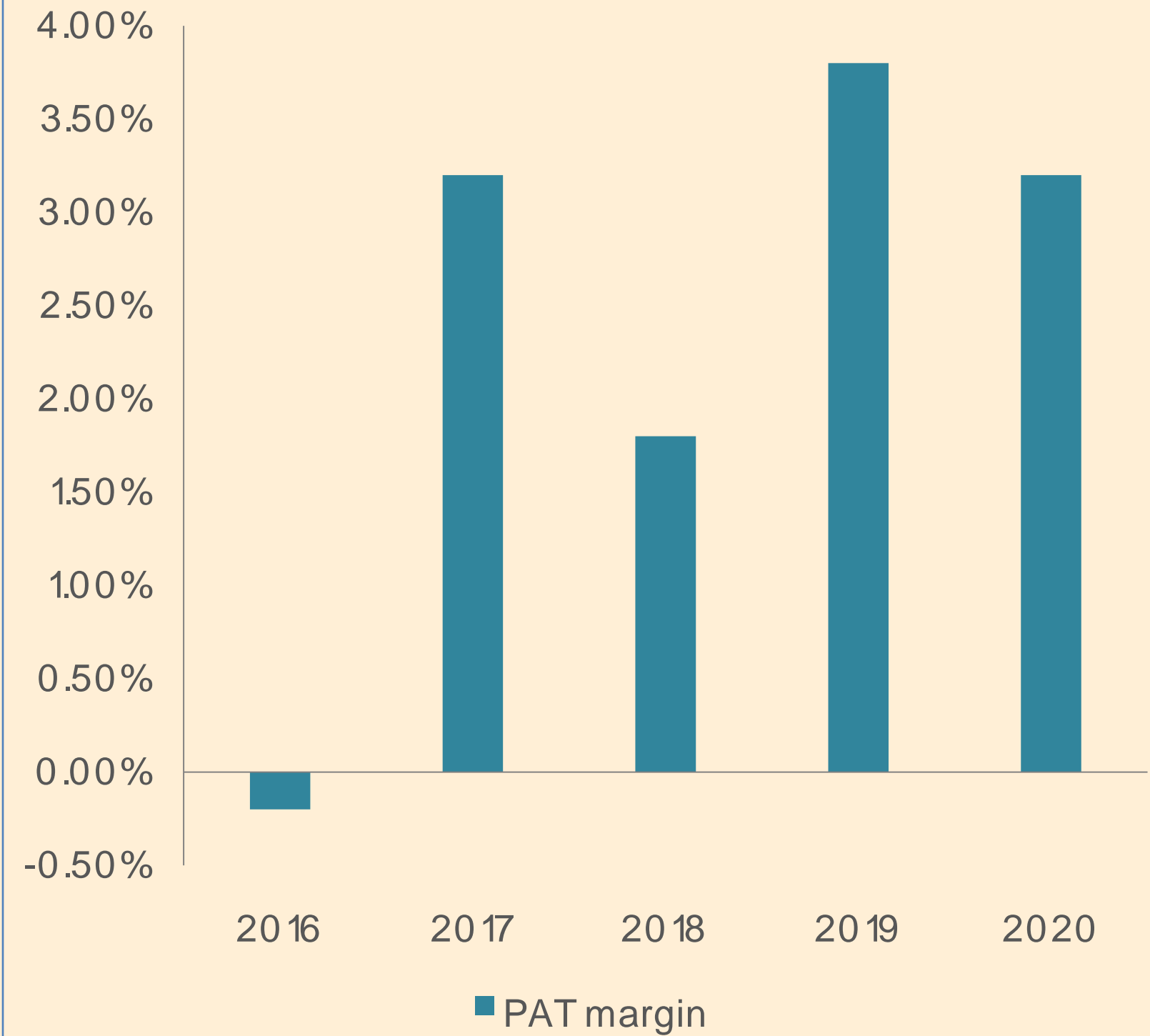
EBITDA and PAT Margins



EBITDA margin



PAT margin



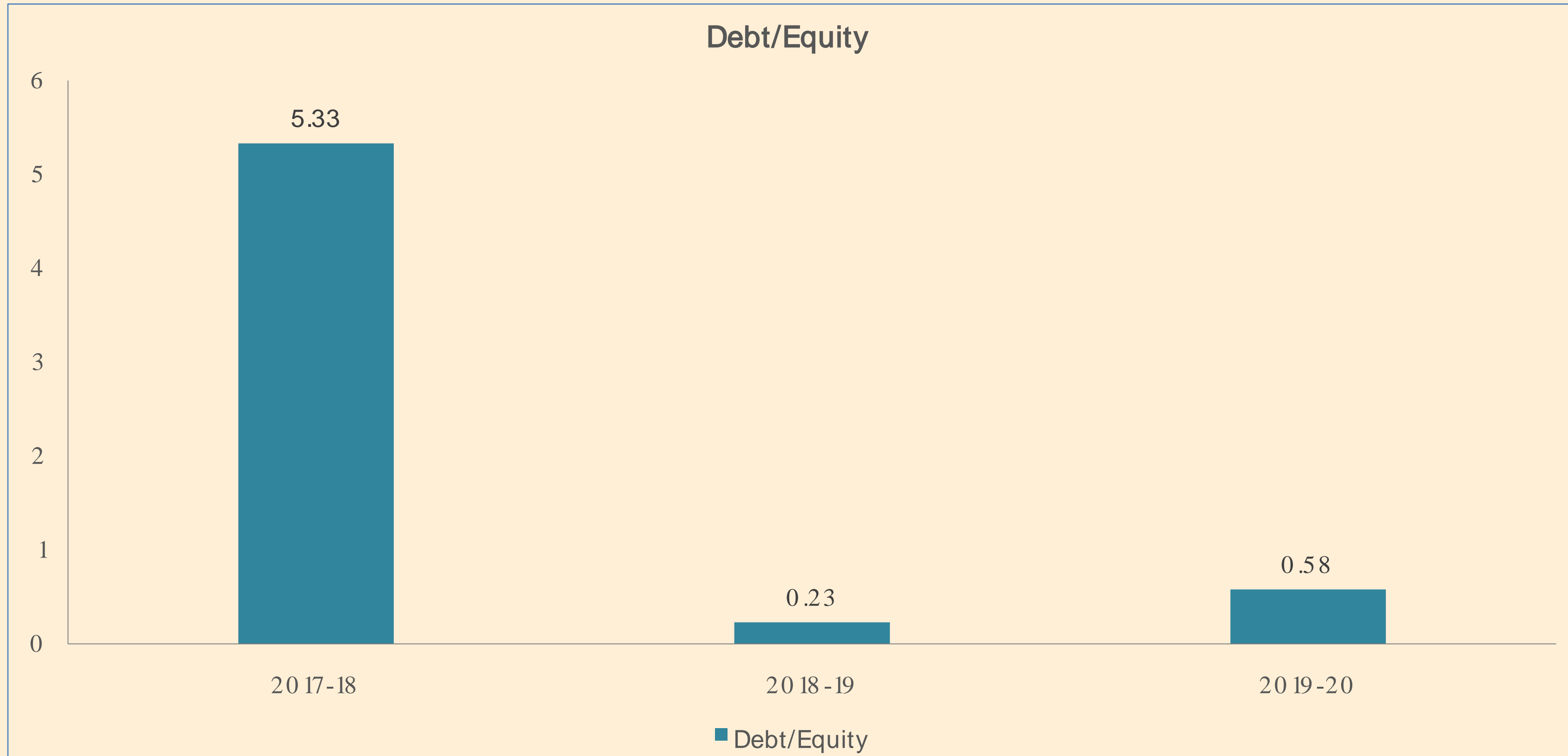
FINANCIAL HIGHLIGHTS (Balance Sheet)



Liabilities (In Crores)	Mar'18	Mar'19	Mar'20
Share Capital	0.14	6.47	6.47
Reserves & Surplus	0.24	4.95	6.15
Net worth	0.38	11.42	12.63
Long Term Borrowings	0.83	1.13	1.64
Deferred Tax Liabilities	0.03	0.06	0.12
Long Term Provisions	0.00	0.00	0.00
Non Current Liabilities	0.86	1.18	1.76
Short Term Borrowings	1.21	0.64	3.93
Trade Payables	4.55	0.69	12.24
Other Current Liabilities	0.10	1.30	2.12
Short Term Provisions	0.47	0.64	0.54
Current Liabilities	6.33	3.27	18.83
Total Liabilities	7.58	15.87	33.23

Assets (In Crores)	Mar'18	Mar'19	Mar'20
Net Block	0.20	3.38	3.60
Capital Work-In-Progress	0.00	0.00	0.00
Non-Current Investment	0.00	0.00	0.00
Long-Term Loans And Advances	0.03	0.10	0.04
Other Non-Current Assets	0.00	0.19	0.20
Non Current Assets	0.23	3.67	3.85
Inventories	1.90	5.41	7.12
Trade Receivables	4.99	6.53	21.90
Cash and Cash Equivalents	0.45	0.24	0.26
Short Term Loans And Advances	0.00	0.01	0.08
Other Current Assets	0.00	0.00	0.01
Current Assets	7.34	12.20	29.38
Total Assets	7.58	15.87	33.23

Leverage Ratio



Way Forward



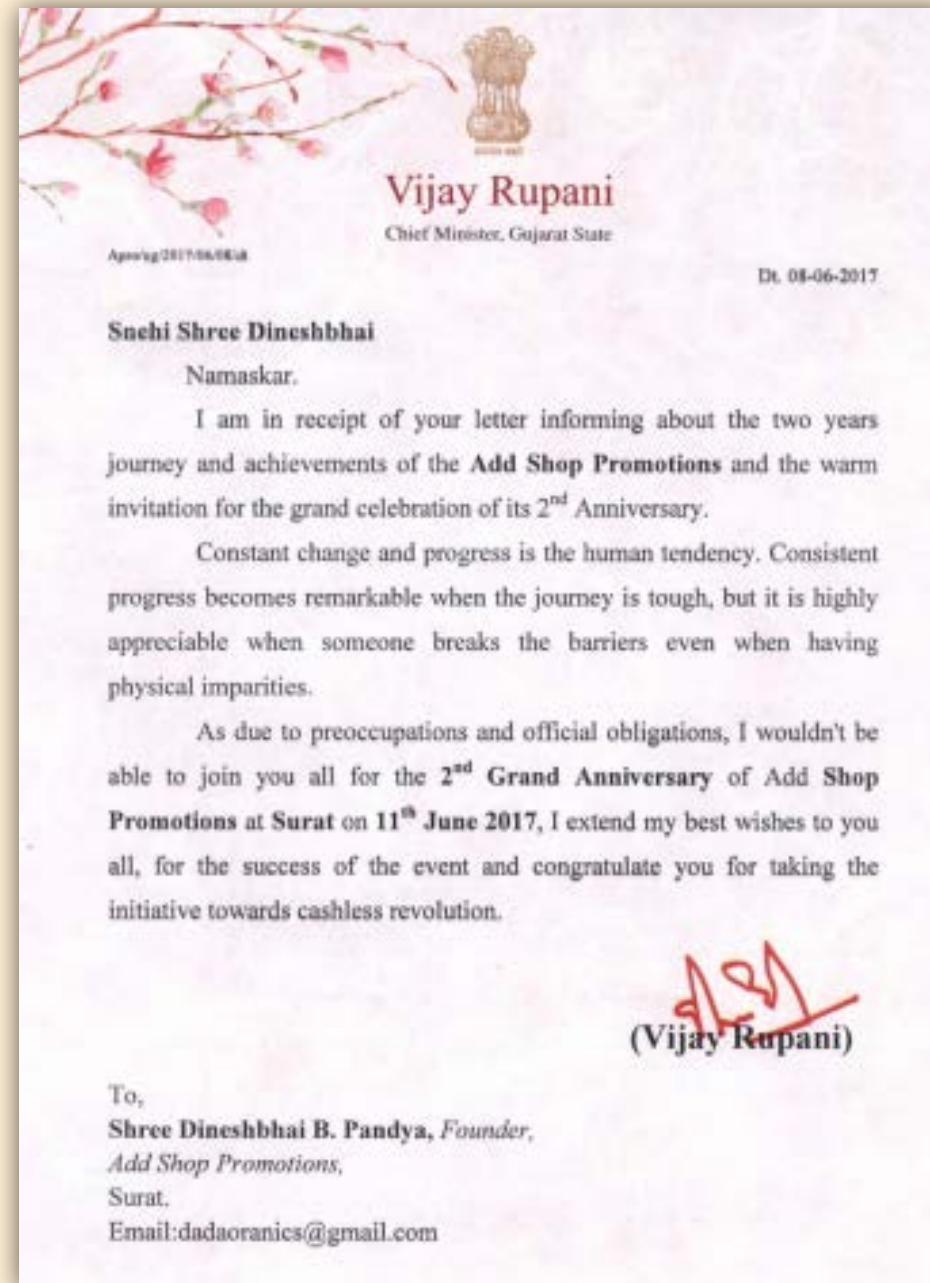
- The demand trend in organic industry is shifting more towards domestic consumption and it is witnessing much faster growth.
- Within the next 5 years, the government plans to increase organic farming area by 100%, i.e, making it 4% of the total agricultural land in the country. Consumer consciousness of natural, healthy and safe foods is on the rise and at the same time consumers are increasingly willing to pay higher price for organic foods as disposable incomes are on rise.
- Growing awareness regarding various benefits of organic products as compared to their synthetic counterparts has resulted in an upsurge in their demand over the last few years. This trend is expected to continue going forward.
- With new farming policy in place, increased awareness about organic products, government's various initiatives towards increasing the use of organic products, the Company is likely to witness huge demand and growth.

Add Shop E-Retail Ltd is ideally placed in the space as it has lined up major expansion plan to take their products portfolio to 1000 products and at the same time expand its geographic reach to 30 countries by 2030.

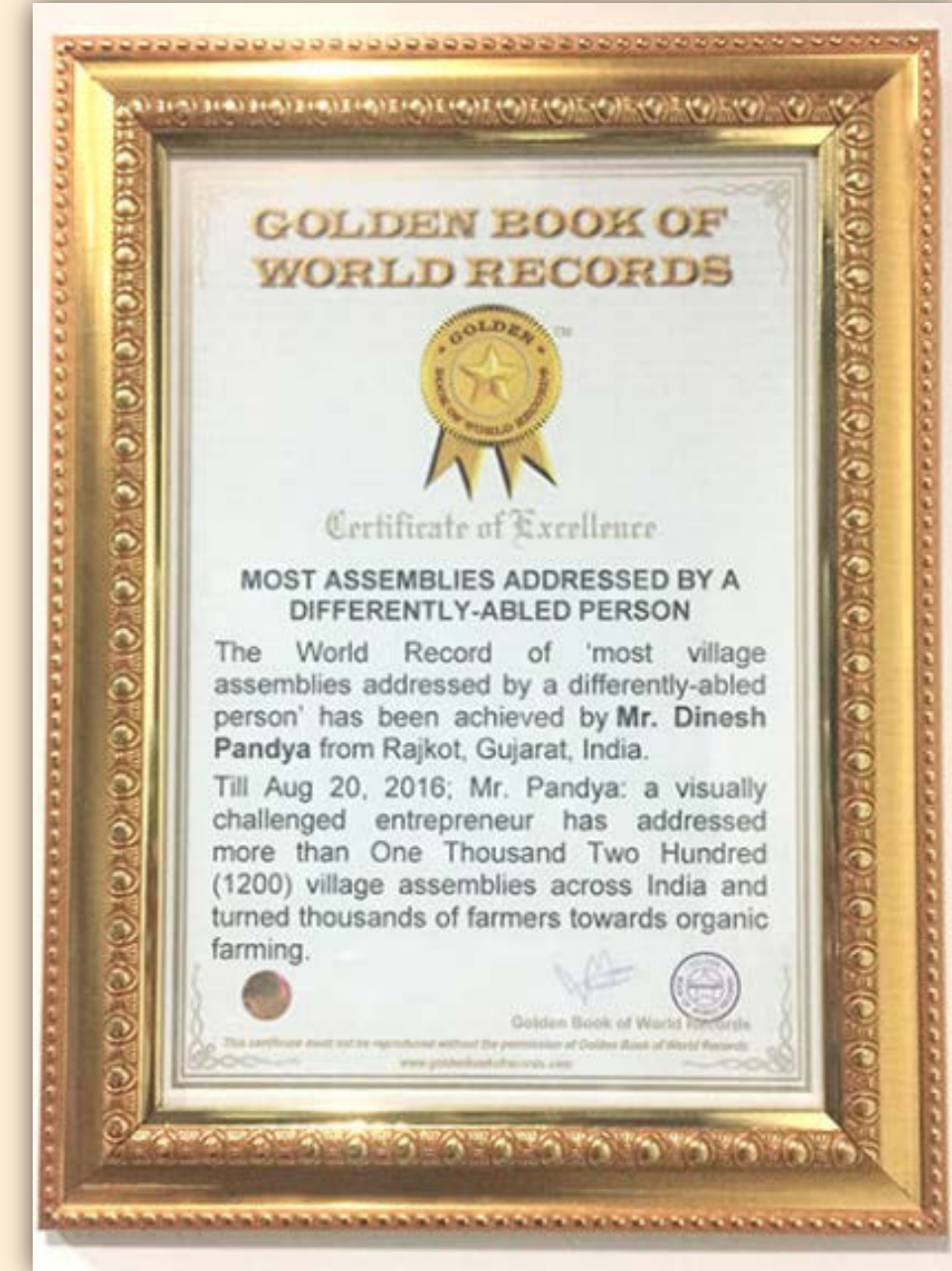
Our Achievements



India SME 100 Awards of 2018-19 for making into top 100 SMEs



Appreciation from CM of Gujarat for contributing towards cashless revolution



Golden Book of world records

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