



## VALENCIA NUTRITION LIMITED

Our Company was incorporated as “Valencia Nutrition Private Limited” on April 01, 2013 under the Companies Act, 1956 with the Registrar of Companies, Karnataka bearing Registration No. 068380. Subsequently, the status of our Company was changed to public limited company and the name of our Company was changed to “Valencia Nutrition Limited” vide Special Resolution dated March 09, 2018. A fresh certificate of incorporation consequent to conversion into public limited company was issued to our Company by the Registrar of Companies, Bangalore on April 09, 2018. The Company’s Corporate Identity Number is U51909KA2013PLC068380. For further details pertaining to the change of name of our Company and the change in Registered Office, please refer the chapter “History and Certain Corporate Matters” on page no. 107 of this Draft Prospectus.

**Registered Office:** D. No. 134, 6th Main, 1st Block, Banashankari, 3rd Stage, Bangalore - 560 085, Karnataka

**Tel No.:** +91 80 2679 9552; **Email:** info@valencianutrition.com; **Website:** www.valencianutrition.com

**Contact Person:** Mr. Adarsha K R, Company Secretary and Compliance Officer

**Our Promoters:** Mrs. Deepthi Anand and Mr. Manish Turakhia

### THE ISSUE

**PUBLIC ISSUE OF 15,72,000 EQUITY SHARES OF ₹ 10 EACH (“EQUITY SHARES”) OF VALENCIA NUTRITION LIMITED (“VNL” OR THE “COMPANY”) FOR CASH AT A PRICE OF ₹ 46 PER SHARE (THE “ISSUE PRICE”), AGGREGATING TO ₹ 723.12 LAKHS (“THE ISSUE”), CONSISTING OF FRESH ISSUE OF 13,05,000 EQUITY SHARES AGGREGATING TO ₹ 600.30 LAKHS AND AN OFFER FOR SALE 2,67,000 EQUITY SHARES BY THE SELLING SHAREHOLDERS AGGREGATING TO ₹ 122.82 LAKHS (“OFFER FOR SALE”), OF WHICH 84,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 14,88,000 EQUITY SHARES OF ₹ 10 EACH IS HEREAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 28.15% AND 26.64%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

### THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 AND THE ISSUE PRICE IS 4.60 TIMES OF THE FACE VALUE

In terms of Rule 19(2)(b)(i) of the SCRR this Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. For further details please refer the section titled “Issue Information” beginning on page no. 184 of this Draft Prospectus.

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process including through UPI mode (as applicable) by providing details about the bank account and/ or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Issue Procedure” on page no. 192 of this Draft Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 and 28 of the Companies Act, 2013.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each and the Issue Price is 4.60 times the face value. The Issue Price (determined and justified by our Company and the Selling Shareholders in consultation with the Lead Manager) as stated under “Basis for Issue Price” beginning on page no. 70 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. 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 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 Draft Prospectus. Specific attention of the investors is invited to “Risk Factors” beginning on page no. 19 of this Draft Prospectus.

### COMPANY’S AND SELLING SHAREHOLDERS ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on BSE StartUp Platform of BSE Limited (“BSE”). Our Company has received an In-Principal Approval letter dated [•] from BSE Limited for using its name in this Offer Document for listing our shares on the BSE StartUp Platform of BSE Limited. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited (“BSE”).

### LEAD MANAGER TO THE ISSUE

### REGISTRAR TO THE ISSUE



**ARYAMAN FINANCIAL SERVICES LIMITED**

60, Khatau Building, Ground Floor,  
Alkesh Dinesh Modi Marg, Fort, Mumbai – 400 001

**Tel No.:** +91 22 6216 6999

**Email:** ipo@afsl.co.in; **Website:** www.afsl.co.in

**Investor Grievance Email:** feedback@afsl.co.in

**Contact Person:** Mrs. Jyothi Shetty / Ms. Hiral Motani

**SEBI Registration No.** INM000011344

**BIGSHARE SERVICES PRIVATE LIMITED**

1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis  
Makwana Road, Marol, Andheri East, Mumbai – 400 059

**Tel No.:** +91 22 6263 8200

**Email:** ipo@bigshareonline.com

**Website:** www.bigshareonline.com

**Contact Person:** Mr. Babu Rapheal

**SEBI Registration No.:** INR000001385

### ISSUE OPENS ON

### ISSUE CLOSES ON

[•]

[•]

## TABLE OF CONTENTS

<b>SECTION I – GENERAL</b> .....	<b>1</b>
DEFINITIONS AND ABBREVIATIONS .....	1
CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA .....	11
FORWARD-LOOKING STATEMENTS .....	13
<b>SECTION II - SUMMARY OF THE OFFER DOCUMENT</b> .....	<b>15</b>
<b>SECTION III – RISK FACTOR</b> .....	<b>19</b>
<b>SECTION III – INTRODUCTION</b> .....	<b>35</b>
THE ISSUE.....	35
SUMMARY OF FINANCIAL INFORMATION.....	37
GENERAL INFORMATION .....	40
CAPITAL STRUCTURE .....	49
OBJECTS OF THE ISSUE.....	63
BASIS FOR ISSUE PRICE .....	70
STATEMENT OF SPECIAL TAX BENEFIT .....	73
<b>SECTION V – ABOUT THE COMPANY</b> .....	<b>76</b>
INDUSTRY OVERVIEW .....	76
OUR BUSINESS .....	85
KEY INDUSTRY REGULATIONS & POLICIES .....	100
HISTORY AND CERTAIN CORPORATE MATTERS .....	107
OUR MANAGEMENT .....	111
OUR PROMOTER AND PROMOTER GROUP.....	124
GROUP COMPANY .....	129
DIVIDEND POLICY.....	133
<b>SECTION VI – FINANCIAL INFORMATION</b> .....	<b>134</b>
REPORT OF THE AUDITOR ON FINANCIAL STATEMENT .....	134
OTHER FINANCIAL INFORMATION.....	153
CAPITALIZATION STATEMENT.....	154
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.....	156
<b>SECTION VII – LEGAL AND OTHER INFORMATION</b> .....	<b>167</b>
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS .....	167
GOVERNMENT AND OTHER KEY APPROVALS .....	172
<b>SECTION VIII – OTHER REGULATORY AND STATUTORY DISCLOSURES</b> .....	<b>175</b>
<b>SECTION IX – ISSUE RELATED INFORMATION</b> .....	<b>184</b>
TERMS OF THE ISSUE .....	184
ISSUE STRUCTURE .....	190
ISSUE PROCEDURE.....	192
RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES.....	210
<b>SECTION X – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION</b> .....	<b>212</b>
<b>SECTION XI – OTHER INFORMATION</b> .....	<b>226</b>
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION .....	226
DECLARATION .....	228

## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### General Terms

Term	Description
Valencia Nutrition Limited (VNL)/ The Company / Company / We / Us / Our Company	Unless the context otherwise indicates or implies refers to Valencia Nutrition Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in the Bangalore.
Promoter(s) / Core Promoter	<ul style="list-style-type: none"> <li>• Mrs. Deepthi Anand and</li> <li>• Mr. Manish Turakhia</li> </ul>
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as disclosed in the Chapter titled “ <i>Our Promoter and Promoter Group</i> ” on page no. 124 of this Draft Prospectus

#### Company related Terms

Term	Description
AoA/ Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Valencia Nutrition Limited
Auditor of the Company	M/s. Balakrishna & Co., Chartered Accountants, having their office at 24, Comfort Towers, 10th Cross, Wilson Garden, Bangalore - 560 027, Karnataka
Audit Committee	The committee of the Board of Directors constituted on November 15, 2019 as our Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013
Board of Directors / Board	The Board of Directors of Valencia Nutrition Limited, including all duly constituted Committees thereof.
Chief Financial Officer	Chief Financial Officer of our Company is Mr. Peeyush Agrawal
CIN/ Corporate Identification Number	U51909KA2013PLC068380
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company is Mr. Adarsha K R
Director(s)	Director(s) of Valencia Nutrition Limited, unless otherwise specified.
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding Equity Share of our Company
Group Company	Company (other than our Promoter Company and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in “ <i>Our Group Company</i> ” beginning on page no. 129 of this Draft Prospectus.
Independent Director	A Non-Executive, Independent Director as per the Companies Act, 2013 and the Listing Regulations.
ISIN	INE08RT01016
Key Management Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations as disclosed in the chapter titled “ <i>Our Management</i> ” on page no. 111 of this Draft Prospectus.
Materiality Policy	The policy adopted by our Board for identification of Group Companies, material outstanding litigation and material dues outstanding to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI ICDR Regulations.
MD or Managing Director	Mrs. Deepthi Anand
MOA / Memorandum / Memorandum of	Memorandum of Association of Valencia Nutrition Limited

<b>Term</b>	<b>Description</b>
Association	
Nomination and Remuneration Committee	The committee of the Board of Directors constituted on November 15, 2019 as our Company's Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013
Registered Office	The Registered Office of our Company which is D. No. 134, 6 <sup>th</sup> Main, 1 <sup>st</sup> Block, Banashankari, 3 <sup>rd</sup> Stage, Bangalore - 560 085, Karnataka
Registrar of Companies / RoC	Registrar of Companies, Bangalore situated at 'E' Wing, 2 <sup>nd</sup> Floor, Kendriya Sadana, Kormangala, Bangalore - 560 034
Restated Financial Statements	The restated financial statements of our Company for three months period ended June 30, 2019 and for the Financial Years ended March 31, 2019, 2018 and 2017, which comprises the restated balance sheet, the restated statement of profit and loss and the restated cash flow statement, together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act, Indian GAAP, and restated in accordance with the SEBI ICDR Regulations.
Selling Shareholders	Mr. Rajkumar Elango, Mr. Venu Gopal Nambiar and Mrs. Rachel Kattukaran
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted on November 15, 2019 as our Company's Stakeholders' Relationship Committee
Stock Exchange	Unless the context requires otherwise, refers to, the StartUp Segment under SME Platform of BSE Limited
You or Your or Yours	Prospective Investors in this Issue

#### Issue Related Term

<b>Term</b>	<b>Description</b>
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Allotment	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful applicants, including transfer of the Equity Shares pursuant to the Issue to the successful applicants
Allotment Advice	Note, advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottees	The successful applicant to whom the Equity Shares are being / have been allotted
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Applicant to make an Application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB and will include amounts blocked by RIIs using the UPI mechanism.
ASBA Account	A bank account maintained with an SCSB and specified in the Application Form submitted by the Applicants or the account of the RII Applicants blocked upon acceptance of UPI Mandate Request by RIIs using the UPI mechanism, to the extent of the Application Amount specified by the Applicant.
ASBA Applicant(s)	Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form.
ASBA Application / Application	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Prospectus
Banker(s) to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled " <i>General Information</i> " on page no. 40 of this Draft Prospectus
Banker(s) to the Issue	The banks which are Clearing Members and registered with SEBI as Banker to an Issue with

<b>Term</b>	<b>Description</b>
	whom the Escrow Agreement is entered and in this case being [•]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page no. 192 of this Draft Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges
Business Day	Monday to Friday (except public holidays)
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client identification number maintained with one of the Depositories in relation to Demat account
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches	Such Branches of the SCSBs which co-ordinate Applications by the Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL
Depositories Act	The Depositories Act, 1996, as amended from time to time
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue.
Designated Intermediaries / Collecting Agent	In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.  In relation to ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.  In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.
Designated Locations CDP	Such locations of the CDPs where Applicants can submit the Application Forms.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange.
Designated Market Maker	Aryaman Capital Markets Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated Locations RTA	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange
Designated SCSB	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms

Term	Description
Branches	submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>  Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	StartUp Segment under SME Platform of BSE Limited
Draft Prospectus	This Draft Prospectus dated November 19, 2019 issued in accordance with the SEBI ICDR Regulations
Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitutes an invitation to purchase the equity shares.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Draft Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depository participants and are deemed as FPIs under the SEBI FPI Regulations
Escrow Agreement	Agreement dated [•] entered into amongst the Company, the Selling Shareholders, Lead Manager, the Registrar and the Banker to the Issue to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Foreign Institutional Investors/ FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
Fresh Issue	The Fresh Issue of 13,05,000 Equity Shares by our Company of ₹ 10 each at a price of ₹ 46 per equity share aggregating to ₹ 600.30 lakhs, to be issued by our Company for subscription pursuant to the terms of this Draft Prospectus
Fresh Issue Proceeds	The proceeds of the Fresh Issue as stipulated by the Company. For further information about use of the Fresh Issue Proceeds please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page no. 63 of this Draft Prospectus
General Information Document or GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 and circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 issued by SEBI. The General Information Document is available on the websites of the Stock Exchanges and the LM.
LM / Lead Manager	Lead Manager to the Issue, in this case being Aryaman Financial Services Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and BSE Limited.
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page no. 63 of this Draft Prospectus
Issue/ Issue Size / Public Issue/ IPO	This Initial Public Issue of 15,72,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 46 per equity share aggregating to ₹ 723.12 lakhs by our Company and the Selling Shareholders.
Issue Closing date	The date on which the Issue closes for subscription being [•]
Issue Opening date	The date on which the Issue opens for subscription being [•]
Issue Price	The price at which the Equity Shares are being issued by our Company and the Selling Shareholders in consultation with the Lead Managers under this Draft Prospectus being ₹ 46 per share.



<b>Term</b>	<b>Description</b>
LM's / Lead Manager	Lead Manager to the Issue, is Aryaman Financial Services Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and BSE Limited.
Lot Size	The Market lot and Trading lot for the Equity Share is 3,000 and in multiples of 3,000 thereafter; subject to a minimum allotment of 3,000 Equity Shares to the successful applicants.
Market Maker Reservation Portion	The Reserved portion of 84,000 Equity shares of ₹ 10 each at an Issue Price of ₹ 46 aggregating to ₹ 38.64 lakhs for Designated Market Maker in the Public Issue of our Company.
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated November 16, 2019
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Net Issue	The Net Issue of 14,88,000 Equity Shares of ₹ 10 each at ₹ 46 per Equity Share aggregating to ₹ 684.48 lakhs by our Company and the Selling Shareholders.
Non-Institutional Applicant	All Applicants including FPIs that are not Qualified Institutional Buyers or Retail Individual Applicants and who have Applied for Equity Shares for a cumulative amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs, QFIs other than Eligible QFIs)
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue
Offer for Sale	The offer for sales of 2,67,000 Equity Shares by selling shareholders of ₹ 10 each aggregating to ₹ 122.82 lakhs for subscription pursuant to the terms of this Draft Prospectus
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI
Qualified Institutional Buyers / QIBs	Public financial institutions as defined in Section 2(72) of the Companies Act, 2013, Foreign Portfolio Investor other than FPIs other than individuals, corporate bodies and family offices, AIFs, VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of ₹ 250 million, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Bidding and does not include FVCIs and multilateral and bilateral institutions.
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [•]
Registrar Agreement	The agreement dated November 16, 2019 among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar and Share Transfer Agents/RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015

Term	Description
	dated November 10, 2015 issued by SEBI
Registrar/ Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s)  QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period and withdraw their Applications until Issue Closing Date.
Self-Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, offering services, i. in relation to ASBA where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or such other website as updated from time to time, and ii. in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time
Sponsor Bank	A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being [•]
Share Escrow Agent	Share Escrow agent appointed pursuant to the Share Escrow Agreement, being Bigshare Services Private Limited
Share Escrow Agreement	Agreement dated November 16, 2019 entered into between the Selling Shareholders, our Company, the Escrow Agent and the Lead Manager in connection with the transfer of Equity Shares under the Issue for Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees.
BSE StartUp Platform of BSE	The Start-Up Platform of BSE for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011.
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters	Aryaman Financial Services Limited and Aryaman Capital Markets Limited
Underwriting Agreement	The Agreement among the Underwriters, our Company and the Selling Shareholders dated November 16, 2019.
“Unified Payments Interface” or “UPI”	The instant payment system developed by the National Payments Corporation of India
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI)
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment
UPI mechanism	The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended



Term	Description
Working Day	All trading days of the Stock Exchange excluding Sundays and Bank holidays in Maharashtra and Karnataka.

#### Technical / Industry related Terms

Term	Description
AHERF	Apollo Hospitals Educational and Research Foundation
ASM	Area Sales Manager
ASSOCHAM	Associated Chambers of Commerce and Industry of India
BIS	Bureau of Indian Standards
CAGR	Compound Annual Growth Rate
CAD	Current Account Deficit
CCI	Competition Commission of India
COO	Chief Operating Officer
CPI	Consumer Price Index
CSO	Central Statistics Office
F & B	Food & Beverages
FF	Fortified and Functional
FMCG	Fast Moving Consumer Good
FMHG	Fast Moving Health Goods
FSSAI	Foods Safety and Standards Authority of India
GMP	Good Manufacturing Practices
IIP	Index of Industrial Production
ISR	Inside Sales Representative
KMP	Key Managerial Personnel
OOH Champaign	Out of Home Champaign
R & D	Research & Development
RTD	Ready to Drink
SE	Sales Executive
SO	Sales Officer
Ta/da	Travelling allowance and daily allowance
WEO	World Economic Outlook
WPI	Wholesale Price Index

#### Conventional Terms / General Terms / Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
Banking Regulation Act	Banking Regulation Act, 1949
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
Category I foreign portfolio investor(s) / Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II foreign portfolio investor(s) /	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations

<b>Term</b>	<b>Description</b>
Category II FPIs	
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
Client ID	Client identification number of the Applicant's beneficiary account
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification.
Companies Act, 1956	The Companies Act, 1956, as amended from time to time
Companies Act, 2013	The Companies Act, 2013 published on August 29, 2013 and applicable to the extent notified by MCA till date.
CSR	Corporate Social Responsibility
CST	Central Sales Tax
CY	Calendar Year
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP	Depository Participant, as defined under the Depositories Act 1996
DP ID	Depository Participant's identification
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ECS	Electronic Clearing System
EGM	Extra-ordinary General Meeting
EMDEs	Emerging Markets and Developing Economies
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
FY / Fiscal / Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/Government	Government of India
GST	Goods & Services Tax
HNIIs	High Networth Individuals
HUF	Hindu Undivided Family
IAS Rules	Indian Accounting Standards, Rules 2015
ICAI	The Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015

Term	Description
I.T. Act	Income Tax Act, 1961, as amended from time to time
IPO	Initial Public Offering
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI Investment Regulations	Insurance Regulatory and Development Authority (Investment) Regulations, 2016
ISIN	International Securities Identification Number
ISO	International Organization for Standardization
IST	Indian Standard Time
I T Act	Income Tax Act, 1961, as amended from time to time
KM / Km / km	Kilo Meter
MCA	Ministry of Corporate Affairs, Government of India
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MICR	Magnetic Ink Character Recognition
MOU	Memorandum of Understanding
NA / N. A.	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non Banking Financial Company
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NPCI	National Payments Corporation of India
NRE Account	Non Resident External Account
NRIs	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% by NRIs including overseas trusts, in which not less than 60.00% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PLR	Prime Lending Rate
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rupees / Rs. / ₹	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time

<b>Term</b>	<b>Description</b>
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 as amended
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000 as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI LODR Regulations, 2015 / SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on September 2, 2015
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations, as amended
Sec.	Section
Securities Act	U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TIN	Taxpayers Identification Number
TDS	Tax Deducted at Source
UPI	Unified Payments Interface
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations

---

## **CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

### **Certain Conventions**

All references to “India” contained in this Draft Prospectus are to the Republic of India. In this Draft Prospectus, our Company has presented numerical information in “lakhs” units. One lakh represents 1,00,000.

### **Financial Data**

Unless stated otherwise, the financial data in this Draft Prospectus are derived from our audited financial statements as on and for the Fiscal Years ended March 31, 2019, 2018 and 2017 and for the period ended June 30, 2019 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and included in this Draft Prospectus. Our Fiscal Year commences on April 1 and ends on March 31 of the following year. In this Draft Prospectus, any discrepancy in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain the differences between Indian GAAP, U.S. GAAP and IFRS or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in the section titled “*Risk Factors*”, chapters titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 19, 85 and 156 of this Draft Prospectus, respectively, and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations.

### **Currency, Units of Presentation and Exchange Rates**

All references to “Rupees”, “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$” or “US Dollars” or “USD” are to United States Dollars, the official currency of the United States of America.

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

### **Definitions**

For definitions, please see the Chapter titled “*Definitions and Abbreviations*” on page no. 1 of this Draft Prospectus. In the Section titled “*Main Provisions of Articles of Association*” beginning on page no. 212 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

### **Industry and Market Data**

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Further, the extent to which the industry and market data presented in this Draft Prospectus 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.

## FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

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

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in Nutraceutical Industry
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in government policies and regulatory actions that apply to or affect our business.
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The occurrence of natural disasters or calamities;
- Our inability to maintain or enhance our brand recognition;
- Inability to adequately protect our trademarks and
- Changes in consumer demand

For further discussions of factors that could cause our actual results to differ, please see the section titled “*Risk Factors*”, chapters titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 19, 85 and 156 of this Draft Prospectus, respectively.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Forward-looking statements speak only as of this Draft Prospectus. Our Company, the Selling Shareholders, our Directors, the Lead Manager, and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of

underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company, the Selling Shareholders and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading approvals by the Stock Exchange.

## SECTION II - SUMMARY OF THE OFFER DOCUMENT

### A. Summary of Business

Our Company is an applied biotechnology startup operating in the niche field of researching, developing & marketing high quality, best-in-class nutraceutical products i.e. multinutrient functional beverages to prevent and/or manage lifestyle related diseases. Our Company is bridging the increasing gap between demand & supply for healthy products with its healthy, nutritious & flavorful drinks – ‘Bounce Superdrinks’ & ‘VitaMe Enriched Beverage’. We have been working in a most focused manner since last 4 years to fully evolve a well-researched product and develop a niche brand within this nascent but high potential market.

### B. Summary of Industry

India is experiencing spate of lifestyle changes and corresponding rise in lifestyle diseases, including diabetes, high blood pressure, obesity and cardiovascular problems. This has increased the demand for nutritional supplements among upper and middle-class consumers. Indian nutraceuticals market is expected to grow at a compounded annual growth rate of 21% and reach USD 10 billion by 2022 from USD 4 billion now, according to a report. It is also driven by the aging population estimated to reach USD 1 billion by 2020 in both developed & developing countries, said the report brought out by MRSS India for industry body Assocham.

### C. Our Promoters

Our Company is promoted by Mrs. Deepthi Anand and Mr. Manish Turakhia.

### D. Size of the Issue

<b>Equity Shares:</b> Present Issue of Equity Shares by our Company and the Selling Shareholders	15,72,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 46 per share aggregating ₹ 723.12 lakhs
<b>Consisting of:</b>	
<b>Fresh Issue</b>	13,05,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 46 per share aggregating ₹ 600.30 lakhs
<b>Offer for Sale</b>	2,67,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 46 per share aggregating ₹ 122.82 lakhs
<b>Of which:</b>	
<b>Issue Reserved for the Market Maker</b>	84,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 46 per share aggregating ₹ 38.64 lakhs
<b>Net Issue to the Public</b>	14,88,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 46 per share aggregating ₹ 684.48 lakhs
	<b>Of Which:</b>
	7,44,000 Equity Shares of ₹ 10 each at a price of ₹ 342.24 per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs
	7,44,000 Equity Shares of ₹ 10 each at a price of ₹ 342.24 per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs

### E. Object of the Issue

The Issue comprises of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. Further, Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders.

We intend to utilize the Net Proceeds of the Fresh Issue (“Net Proceeds”) of ₹ 526.81 lakhs for financing the objects as set forth below:

(₹ in lakhs)

Sr. No.	Particulars	Amount
1.	Construction of New Corporate Office and Headquarters Building called “Valencia House” at Anjanapura, Bengaluru	200.00
2.	Purchase of Key Lab Equipments for expanding R&D facilities	52.40
3.	Sales, Marketing and Distribution Expenses for increasing our brand value and improved geographical reach.	184.65
4.	General corporate purposes	89.76
<b>Total</b>		<b>526.81</b>

For further details pertaining to Object of Issue, kindly refer to the chapter titled “Object of the Issue” beginning on page no. 63 of this Draft Prospectus.

#### F. Pre-Issue Shareholding of our Promoter and Promoter Group as a percentage of the paid-up share capital of the Company

Set forth is the Pre Issue shareholding of our Promoter and Promoter Group as a percentage of the paid-up share capital of the Company

Category of Promoter	Pre Issue		Post Issue	
	No. of Shares	% of Pre-Issue Paid Up Capital	No. of Shares	% of Post-Issue Paid Up Capital
<b>1. Promoters</b>				
Mrs. Deepthi Anand	18,79,904	43.92%	18,79,904	33.66%
Mr. Manish Turakhia	2,38,329	5.57%	2,38,329	4.27%
<b>2. Promoter Group (as defined by SEBI (ICDR) Regulations)</b>				
Veer Value Ventures LLP	5,85,000	13.67%	5,85,000	10.47%
Chauhan Ventures LLP	2,21,000	5.16%	2,21,000	3.96%
Jash Ventures (represented by Partner Mr. Manish Turakhia)	1,99,550	4.66%	1,99,550	3.57%
Arham Ventures (represented by Partner Mr. Manish Turakhia)	1,08,329	2.53%	1,08,329	1.94%
Vishva Vama Ventures (represented by Partner Mr. Manish Turakhia)	97,500	2.28%	97,500	1.75%
Simran Ventures (represented by Partner Mr. Manish Turakhia)	65,000	1.52%	65,000	1.16%
H M Arvindkumar Ventures LLP	54,171	1.27%	54,171	0.97%
Sanghavi Ventures (represented by Partner Mr. Manish Turakhia)	54,171	1.27%	54,171	0.97%
Ample Ventures (represented by Partner Mr. Manish Turakhia)	43,329	1.01%	43,329	0.78%
Ashit Alapi Ventures (represented by Partner Mr. Manish Turakhia)	21,671	0.51%	21,671	0.39%
<b>Total Promoters &amp; Promoter Group Holding</b>	<b>35,13,783</b>	<b>82.09%</b>	<b>35,13,783</b>	<b>62.91%</b>
<b>Total Paid up Capital</b>	<b>42,80,341</b>	<b>100.00%</b>	<b>55,85,341</b>	<b>100.00%</b>

#### G. Summary of Restated Financial Statement

(₹ in lakhs)

Particulars	For the period ended June 30, 2019	For the year ended March 31,		
		2019	2018	2017
Share Capital	29.34	27.64	24.84	19.34
Net Worth	75.15	65.31	111.45	(102.58)
Total Revenue	93.31	149.47	42.55	73.71
Profit after Tax	(92.16)	(214.14)	(115.97)	(146.50)



Particulars	For the period ended June 30, 2019	For the year ended March 31,		
		2019	2018	2017
Basic & Diluted EPS	(2.54)	(6.05)	(4.36)	(9.74)
Net Asset Value Per Share (₹) - based on actual no. of equity shares at the end of the year	25.61	23.63	44.87	(53.04)
Total borrowings	79.38	18.04	18.04	99.29

H. There are no Auditor's Qualifications in any of the Financial Statements of the Company.

I. Summary of Outstanding Litigation are as follows

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹ Lakhs)
1.	Income Tax (A.Y. 2016-17)	1	Unascertainable
<b>Total</b>		<b>1</b>	<b>Unascertainable</b>

J. Investors should read chapter titled "Risk Factors" beginning on page no. 19 of this Draft Prospectus to get a more informed view before making any investment decisions.

K. Summary of contingent liabilities

The details of contingent liabilities as indicated in our Restated Financial Statements and also certified by our statutory auditors were as follows:

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
Contingent Liabilities				
Claims against the company not acknowledged as debt	-	-	-	-
Guarantees	1.78	-	-	-
Other money for which the company is contingently liable	-	-	-	-
<b>Total</b>	<b>1.78</b>	<b>-</b>	<b>-</b>	<b>-</b>

For further information, please see Note in relation to "Contingent Liabilities" under Financial Information beginning on page 151 of this Draft Prospectus.

L. Summary of related party transactions

(₹ in lakhs)

Particulars	Key Management Personnel & Relatives				Associates / Enterprises			
	As at June 30, 2019	As at March 31,			As at June 30, 2019	As at March 31,		
		2019	2018	2017		2019	2018	2017
<b>Finance</b>								
Loan taken during the period	51.50	-	57.30	97.04	-	-	-	-
Repaid during the period	(4.00)	-	(138.55)	(2.75)	-	-	-	-
<b>Conversion of Liability to Share Capital</b>								
Loan	-	-	-	3.46	-	-	-	-
Remuneration	-	-	-	10.29	-	-	-	-
<b>Money Received towards Share Capital (including premium)</b>	-	-	110.00	9.99	102.00	168.00	195.00	-
<b>Expenses</b>								

Particulars	Key Management Personnel & Relatives				Associates / Enterprises			
	As at June 30, 2019	As at March 31,			As at June 30, 2019	As at March 31,		
		2019	2018	2017		2019	2018	2017
Remuneration	4.58	6.86	13.33	18.00	-	-	-	-
Salary	3.71	15.00	-	-	-	-	-	-
<b>Sales</b>	-	0.20	-	-	0.05	0.39	-	-
<b>Outstanding</b>								
Receivables	-	-	-	-	0.06	0.09	-	-

M. There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Draft Prospectus.

N. The weighted average price of acquisition of Equity Shares by our Promoters and Selling Shareholders in last one year are:

Promoters	No. of Shares	Weighted Average Cost (₹)
Mrs. Deepthi Anand	17,35,296	Nil
Mr. Manish Turakhia	2,19,996	Nil
Mr. Rajkumar Elango	1,66,548	Nil
Mr. Venu Gopal Nambiar	1,66,020	Nil
Mrs. Rachel Kattukaran	1,66,020	Nil

O. The average cost of acquisition of Equity Shares by our Promoters and Selling Shareholders are:

Promoters	No. of Shares	Average Cost (₹)
Mrs. Deepthi Anand	18,79,904	0.77
Mr. Manish Turakhia	2,38,329	46.15
Mr. Rajkumar Elango	1,80,427	55.49
Mr. Venu Gopal Nambiar	1,79,855	53.33
Mrs. Rachel Kattukaran	1,79,855	69.75

P. Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Prospectus till the listing of the Equity Shares.

Q. Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Prospectus except as mentioned in the chapter titled “*Capital Structure*” on page 49 of this Draft Prospectus.

R. Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Prospectus

## SECTION III – RISK FACTOR

*An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Draft Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this Draft Prospectus are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the sections entitled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations on page nos. 85 and 156 of this Draft Prospectus respectively as well as other financial and statistical information contained in this Draft Prospectus. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.*

*This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated financial information of our Company prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto.*

### Materiality

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

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

### INTERNAL RISK FACTORS

1. ***Our Company is a party to certain legal proceedings. Any adverse decision in such proceeding may have a material adverse effect on our business, results of operations and financial condition.***

Our Company is a party to certain legal proceedings. This proceeding is currently pending before the Commissioner of Income Tax (Appeals), Bangalore. Mentioned below are the details of the proceedings involving our Company as on the date of this Draft Prospectus along with the amount involved, to the extent quantifiable, based on the materiality policy for litigations, as approved by the Company in its Board meeting held on November 15, 2019.

Sr. No.	Nature of Case	No. of Outstanding cases	Amount in dispute/demanded to the extent quantifiable (in Rs.)
1.	<b>Litigations filed by our Company</b>		
(a)	Direct Tax Liabilities	1	Unascertainable

There can be no assurance that this litigation will be decided in favour the Company and consequently it may divert the attention of our management and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business,

financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of the cases filed by and against our Company, Promoters, Directors, please refer the chapter titled “*Outstanding Litigations and Material Developments*” on page no. 167 of this Draft Prospectus.

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

Our sales are subject to seasonal variations. We see higher sales during the first quarter of the financial year i.e. in light of the impending summer months. During the winter and rainy season of each year we see slowdown in the revenue streamline and lower down in sales volumes. While a hot summer and weak monsoon conditions would typically cause a rise in demand for our products, our sales volumes especially in rural areas may not however rise, as rural income and spending typically see a downward shift. Due to these factors, comparisons of sales and operating results between the same periods within a single year, or between different periods in different financial years, are not necessarily meaningful and should not be relied on as indicators of our performance. Our revenue during the three month period ended i.e. June 30, 2019 is ₹ 93.30 lakhs, while the total revenue during the financial year 2018-19 is ₹ 141.66 lakhs.

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

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

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

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

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

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

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

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

**6. *We have incurred losses in the past due to research and development activities and may incur losses in the future also as our company is innovation driven.***

Our Company is an applied biotechnology startup operating in the niche field of researching, developing & marketing high quality, best-in-class nutraceutical products i.e. multi nutrient functional beverages to prevent and/or manage lifestyle related diseases. We believe that our core competencies as well as future growth both would rely heavily on levels of innovation and our superior product quality, as we are innovation driven. In order to stay ahead of the growth curve and ensure high quality of products we are continuously engaged in R&D activities. We have incurred losses in the past i.e. during three months period ended June 30, 2019 and for the Fiscal 2019, 2018 and 2017 for amount of ₹ 92.16 lakhs, ₹ 214.14 lakhs, ₹ 115.97 lakhs and ₹ 146.50 lakhs, respectively. These losses are mainly attributable to the seasonal nature of our business, R&D expenses, business promotion expense etc. In the event of such loss in the future, our business operations, financial conditions and overall growth will be materially and adversely affected.

**7. *We generate our major portion of sales from our operations in certain geographical regions especially South India. Any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.***

We generate major sales through our distributors situated in Karnataka. Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience in other parts of India and overseas markets, should we decide to further expand our operations. Factors such as competition, culture, regulatory regimes, business practices and customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in such regions, and our experience in these regions may not be applicable to other markets. In addition, as we enter new markets and geographical areas, we are likely to compete not only with national players, but also local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local distributors, dealers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into areas outside Karnataka market may adversely affect our business prospects, financial conditions and



results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we face and should not rely on our results of operations for any prior periods as an indication of our future performance.

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

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

**9. *We may not be able to ensure a continuous supply channel and sales channel for our products, which may adversely affect our business and results of operations.***

As a manufacturing business, our success depends on the continuous supply and transportation of raw materials from our suppliers to our third party manufacturing facilities and our finished products from our third party manufacturing facilities to our distributors and customers, which are subject to various uncertainties and risks. We depend on road transportation to deliver raw materials from our suppliers to our third party manufacturing facilities as well as our products from our third party manufacturing facilities to our consignee agents and distributors. We rely on third parties to provide such services. Disruptions of road transportation services because of weather-related problems, accidents, strikes and inadequacies in the road infrastructure, or other events could impair our ability to receive raw materials and to supply products to our customers. We cannot assure you that we will be able to ensure a continuous supply and sales channel for our products. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

**10. *We have obtained unsecured loans from our Directors (including erstwhile Directors) and Promoters, which may be repayable on demand or on a short notice.***

Our Company, as per the restated audited financial statement as on June 30, 2019 has availed total sum of ₹ 65.54 lakhs as unsecured loan from Directors (including erstwhile Directors) and Promoters which may be recalled / repayable at any time. Sudden recall of any loan may disrupt our operations and also may force us to opt for funding at higher interest rates, resulting in higher financial burden. If any of our unsecured loans is demanded or becomes repayable immediately or at a short notice, it may adversely affect our financial condition and results of our operations. Further, we will not be able to raise funds at short notice and thus result in shortage of working capital fund. Any demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition.

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

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

shelf life in the packaging of our products, we cannot assure you that we will not face claims for damages or other litigation, if our products are consumed post their shelf life. Any or all of these factors, could adversely affect our reputation, the strength of our brand, and may also affect our business and results of operations.

**12. *Our Company utilises outsourcing model for manufacturing of the products and also has to go through research and development process for developing functional beverages.***

Our company being a Fast moving Health Goods (FMHG) company has to go through with a lot of research and development process for developing functional beverages and functional foods. We have maintained our in-house research and development centre due to which we need to incur heavy expenses throughout the year. Our business requires continuous research and development for development of product, if the research is discontinued or if we are not able to successfully develop new products then it might hamper the growth perspective of our Company.

The company has established relations with third party manufacturers based out of Bangalore to utilise outsourcing model for manufacturing, bottling, packaging and transporting the products to retailers. Local and national regulatory approvals for manufacturing units are required which are already in place, but in future any obstacles in obtaining the same might affect our R&D.

**13. *Our registered office, research & development facility and godown for storing raw materials are located on leased premises. There can be no assurance that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms.***

Our registered office, research & development facility and godown for storing raw materials, are located on leased premises, and we do not own any of these premises. In the event such leases are not renewed or are terminated, it could adversely affect our operation unless we arrange for similar premises. If we are unable to continue or renew such leases on same or similar terms, or find alternate premises on lease on similar terms or at all, it may affect our business operations. Any termination of the lease and / or leave and license agreement and / or NoC in connection with such properties which are not owned us or our failure to renew the same, and upon favorable conditions, in a timely manner or at all and / or our Promoter's inability to continue the arrangement, could adversely affect our operations. Non continuation of agreement would affect our financial operations. For details regarding properties taken on lease and leave and license refer the Section titled "Our Business- Properties" beginning on page no. 98 of this Draft Prospectus.

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

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

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

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

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

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

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

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

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

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

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

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

Our business promotion expense is a major component of our total expenses and this expenditure is likely to increase in future. The total expenditure incurred by Company on advertisement and promotion during the financial year amounts to ₹ 35.66 Lakhs and for period ending June 30, 2019 it amounts to ₹ 6.50 Lakhs.

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

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

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

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

We require several statutory and regulatory permits, licenses and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. Our Company is currently in the process of applying for the following approvals:

1. Certificate of Registration under Karnataka Shops and Establishments Act, 1961 for its registered office situated at No 134, 6th main, 1st block, 3rd stage, Banashankari, Bangalore, 560085;
2. Certificate of Registration under Karnataka Shops and Establishments Act, 1961 for its corporate office situated at Room No. 11, Basement Floor, 7<sup>th</sup> Block, 33<sup>rd</sup> Main Road, BSK 3<sup>rd</sup> Stage, Banagirinagar, Bangalore – 560 085;
3. Certificate of Registration under Karnataka Shops and Establishments Act, 1961 for its warehouse situated at No. 138/A, 1<sup>st</sup> Block, 2<sup>nd</sup> stage Nagarabhavi, Bangalore-560072; and
4. Trade license under Schedule X under Karnataka Municipal Corporation Act, 1976.

There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Further, some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs, be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. For further details, please see chapters titled “*Key Industry Regulations and Policies*” and “*Government and Other Statutory Approvals*” at pages 100 and 172 respectively of this Draft Prospectus.

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

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

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

**22. Our Company had reported certain Negative Cash flow in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.**

Our Company has experienced certain negative cash flows from operating activities, investing activities as well as financing activities in the previous years, as per the Restated Standalone Financial Statements and the same are summarized as under:

(₹ in lakhs)

Particulars	For the period ended June 30, 2019	As on March 31,		
		2019	2018	2017
Cash Flow from Operating Activities	(60.29)	(256.25)	(127.71)	(112.26)
Cash Flow from Investing Activities	(123.79)	(0.67)	(4.76)	(5.22)
Cash Flow from Financing Activities	163.13	168.00	246.71	114.52

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

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

We have entered into various transactions with related parties aggregating to ₹ 69.79 lakhs as on June 30, 2019. While we believe that we have obtained requisite approvals under applicable laws, wherever required, for all such transactions and have carried them out on an arms-length basis and on commercially reasonable terms, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. For more details on our related party transactions, see our Financial Statements. We cannot assure you that such transactions, individually or in the aggregate, may always be in the best interests of our shareholders.

**24. The implementation of the proposed Objects of the Offer is in a preliminary stage and the Company has not placed an order for purchase of Key Lab Equipments for expanding R&D facilities.**

We have not placed orders for key lab equipments for expanding R&D facilities as mentioned above. Also, we are yet to appoint civil contractors for construction of the civil structure. Any delay in placing the orders for the equipments or commencing of construction of new corporate office and headquarters building may result in time and cost overruns, and may affect our profitability.



Since the funding for the construction of new corporate office and headquarters building and purchase of key lab equipments is from the IPO proceeds, any delay in access to IPO proceeds would eventually delay the process. The purchase of lab equipments would require us to consider factors including but not limited to pricing, delivery schedule and after-sales maintenance. Our Company is further subject to risks on account of inflation in the price of the equipments. There may also be a possibility of delay at the suppliers' end in providing timely delivery of these equipments, which in turn may delay the implementation schedule. For further details, please refer to the chapter titled 'Objects of the Issue' beginning on page no. 63 of this Draft Prospectus.

**25. *Our operations may be adversely affected by strikes, work stoppages or increased wage demands by third party manufacturing units or our contractors' or any other industrial unrest or dispute.***

While, we have not experienced any major industrial unrest or dispute in the past, there can be no assurance that our employees will not undertake or participate in strikes, work stoppages or other industrial actions in the future. Further, if our own or our contractor's work force unionizes in the future, collective bargaining efforts by labour unions may divert our management's attention and result in increased costs.

We may be unable to negotiate acceptable collective wage settlement agreements with those workers who have chosen to be represented by unions, which may lead to union-initiated strikes or work stoppages. Any shortage of skilled and experienced workers caused by such industrial unrest or disputes may adversely affect our business, results of operations and financial condition. Further, under Indian law, we may be held liable for wage payments or benefits and amenities made available to contract workers engaged by our independent contractors, if any of our contractors default on their obligations to provide such wages, benefits and amenities. Any requirement to discharge such payment obligations, benefits or amenities or to absorb a significant portion of the contract workforce on our own rolls may adversely affect our business, results of operations and financial condition.

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

Our operations are dependent on access to a large pool of technical, skilled, semi-skilled and un-skilled manpower. Our dependence on such technical, skilled, semi-skilled and un-skilled manpower may result in significant risks for our operations, relating to the availability of such manpower. There can be no assurance that we will have adequate access to the required manpower at reasonable rates, as and when required, or at all. As a result, we may be required to incur additional costs to ensure smooth running of our operations. The labour cost in India has been increasing over the past years due to increasing competition for quality employees. Many aspects of our strategies and business growth may require us to hire employees. For the period ended March 31, 2019, our employees benefit expenses as per our Restated Financials, amounted to ₹ 136.15 lakhs, which is 73.41% of the total expenses of that year and for the period ended June 30, 2019 it amounts to ₹ 45.36 Lakhs which is 24.46% of the total expenses. Our inability to pass the increased costs to customers may impact our profitability and future growth prospectus.

**27. *Our success depends largely on the continued services and performance of our directors, key managerial personnel and our ability to attract and retain skilled and technical personnel.***

Our future success depends on the continued services and performance of our directors, key managerial personnel and other senior employees. Competition for senior management in the industry with technical knowledge is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. We cannot guarantee that we will be able to hire such people in future and / or retain our existing personnel. The lack of or loss of the services of such key persons in the organization 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. The success of our business will also depend on our ability to identify, attract, hire, train, retain and motivate skilled personnel. Demand for qualified professional personnel is high and the availability of these personnel is relatively limited. If we fail to hire and retain sufficient number of qualified personnel for functions such as finance, marketing, sales, operations and designing, our business operations and financial condition could be adversely affected.

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

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

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

Our success heavily depends upon the continued services of our Individual Promoters, Directors, along with support of our Key Managerial Personnel (KMPs). Our co-founder Mrs. Deepthi Anand, a clinical researcher has over 19 years of experience in the field of clinical research, healthcare and nutrition. Our company has health care professionals with over 15 years of pharmaceuticals, nutraceutical & FMHG product development & marketing exposure across global brands.

We depend significantly on our Key Managerial Persons for executing our day to day activities. The loss of any of our KMPs may result in disturbances in our day to day activities. Our KMPs over the years have proved their loyalty, ability and dedication and in case they do not continue their services with us, we cannot guarantee that we will be able to recruit suitable or comparable replacements at reasonable costs or at all. Our inability to retain, recruit and train our KMPs in the future could have an adverse effect on our operations. The loss of service of the Promoter or Directors could seriously impair the ability to continue to manage and expand the business efficiently. For further details of our Directors and Key Managerial Personnel, please refer to Section “*Our Management*” on page no. 111 and for details of our Promoter’s experience and background, please refer the chapters titled “*Our Promoter and Promoter Group*” and “*Our Management*” on page nos. 124 and 111 of this Draft Prospectus.

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

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

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

The majority of our issued and outstanding Equity Shares are currently beneficially owned by our Promoters and our Promoter Group. Upon completion of the Issue, our Promoters and Promoter Group will own 36,45,954 Equity Shares, or 65.28% of our post-Issue Equity Share capital. Accordingly, our Promoters and Promoter Group will continue to



exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our memorandum and articles of association, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these shareholders. The interests of the Promoters and Promoter Group as our Company's controlling shareholders could conflict with our Company's interests or the interests of its other shareholders. We cannot assure you that the Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's or the shareholders favour.

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

Our brand logos “**VitaMe**”, “**BOUNCE**” and “**PREP**”, are registered with the Registrar of Trademarks bearing Nos.2828195, 3435053 and 2977367. As on the date of this Draft Prospectus, we have not yet obtained registration for

our corporate logo “**VALENCIA NUTRITION**” and hence we do not enjoy the statutory protection accorded to a registered trademark. Additionally, we have made an application for the registration of our logo “**BOUNCE**” before the Trade Marks Registry, India which is currently pending registration. However, there can be no assurance that our application will succeed. Grounds for refusal of registration may include the validity or scope of the application. If we are unable to obtain a registration, we may still continue to use the logo but remain vulnerable to infringement and passing-off by third parties and will not be able to enforce any rights against them. We may also need to change our logo which may adversely affect our reputation and business and could require us to incur additional costs.

Although, we believe that that our present systems are adequate to protect our confidential information and intellectual property, there can be no assurance that our intellectual property data, trade secrets or proprietary technology will not be copied, infringed or obtained by third parties. Further, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property, which may adversely affect our business, financial condition and results of operations. For further details pertaining to our intellectual property, please refer to the chapter titled “*Our Business*” beginning on page 85 of this Draft Prospectus.

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

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

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

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

be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner.

**35. *The Company will not receive any proceeds from the Offer for Sale.***

This Issue includes an Offer for Sale of Equity Shares by the Selling Shareholder. The entire proceeds from the Offer for Sale will be transferred to the Selling Shareholder and the Company will not receive any of the proceeds pertaining to the Offer for Sale. For further details, see the chapter titled “*Objects of the Issue*” on page no. 63 of this Draft Prospectus.

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

The funds that we receive would be utilized for the Objects of the Issue as has been stated in the Chapter “*Objects of the Issue*” on page no. 63 of the Draft Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

**37. *Our management will have broad discretion in how we apply the Net Proceeds, including interim use of the Net Proceeds, and there is no assurance that the objects of the Issue will be achieved within the time frame expected or at all, or that the deployment of the Net Proceeds in the manner intended by us will result in any increase in the value of your investment. Further, the funding plan has not been appraised by any bank or financial institution. Hence, the deployment of the Net Proceeds from the Issue which are based on our Company’s management, it will have flexibility in utilizing the Net Proceeds from the Issue.***

Our Company intends to use the Net Proceeds from the Fresh Issue for the purposes described in “*Objects of the Issue*” on page 63 of this Draft Prospectus. Subject to this section, our management will have broad discretion to use the Net Proceeds from the Fresh Issue, and investors will be relying on the judgment of our management regarding the application of the Net Proceeds from the Fresh Issue. In terms of Regulation 262 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Fresh Issue size is not in excess of ₹ 10,000.00 Lakhs. The funding plans are in accordance with our own estimates and have not been appraised by any bank, financial institution or any other external agency. The management of our Company will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company’s management regarding the application of the Net Proceeds from the Issue. Our Company may have to revise its management estimates from time to time and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section “*Risk Factors*”, may limit or delay our Company’s efforts to use the Net Proceeds from the Issue to achieve profitable growth in its business.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Issue, at a price and manner as specified in Chapter VI-A of the SEBI ICDR Regulations pursuant to the SEBI ICDR (Second Amendment) Regulations, 2016 dated February 17, 2016. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of our Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoters or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI.

Accordingly, prospective investors in the Issue will need to rely upon our management’s judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and

assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue and our business and financial results may suffer.

## **RISK FACTORS RELATED TO EQUITY SHARES**

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

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

**39. *There is no existing market for our Equity Shares, and we do not know if one will develop. Our stock price may be highly volatile after the Issue and, as a result, you could lose a significant portion or all of your investment.***

There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares. Prior to the Issue, there has not been a public market for the Equity Shares. Further, we cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. If an active market does not develop, you may experience difficulty selling the Equity Shares that you purchased. The Issue Price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the Issue Price. The market price of the Equity Shares on the Stock Exchanges may fluctuate after listing as a result of several factors, including the following:

- Volatility in the Indian and other Global Securities Markets;
- The performance of the Indian and Global Economy;
- Risks relating to our business and industry, including those discussed in this Draft Prospectus;
- Strategic actions by us or our competitors;
- Investor perception of the investment opportunity associated with the Equity Shares and our future performance;
- Adverse media reports about us or our shareholders;
- Future sales of the Equity Shares;
- Variations in our quarterly results of operations;
- Differences between our actual financial and operating results and those expected by investors and analysts;
- Our future expansion plans;
- Perceptions about our future performance or the performance of nutraceutical sector companies generally;
- Performance of our competitors in the nutraceutical industry and the perception in the market about investments in the nutraceutical sector;
- Significant developments in the regulation of the nutraceutical industry in our key locations;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Significant developments in India's economic liberalisation and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share Price could fluctuate significantly as a result of market volatility. A decrease in the market price of the Equity Shares could cause you to lose some or all of your investment.

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

The price of the Equity Shares will be subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock

exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

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

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

**EXTERNAL RISK FACTORS**

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

Our Company is subject to various regulations and policies. For details see section titled "Key Industry Regulations and Policies" beginning on page no. 100 of this Draft Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse affect on our business, financial condition and results of operations.

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

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

**44. *If there is any change in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years, which may have a material adverse effect on our financial position, business and results of operations***

The regulatory environment in which we operate is evolving and is subject to change. The Government of India may implement new laws or other regulations that could affect the jewellery industry, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations.

To the extent that we are entitled to certain tax benefits in India which are available for a limited period of time, our profitability will be affected if such benefits will no longer be available, or are reduced or withdrawn prematurely or if we are subject to any dispute with the tax authorities in relation to these benefits or in the event we are unable to

comply with the conditions required to be complied with in order to avail ourselves of each of these benefits. Please see “*Statement of Special Tax Benefits*” on page 73 for details in relation to possible tax benefits available to our Company. In the event that any adverse development in the law or the manner of its implementation affects our ability to benefit from these tax incentives, our business, results of operations, financial condition and prospects may be adversely affected.

**45. *A decline in economic growth or political instability nationally or internationally or changes in the Government in India could adversely affect our business.***

Our performance and the growth of our business are necessarily dependent on the health and performance of the overall Indian economy. In the recent past, Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture, rising inflation rates and various other factors. Risk management initiatives by banks and lenders in such circumstances could affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India’s sovereign debt rating or a decline in India’s foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operation and the trading price of our Equity Shares. Volatility, negativity, or uncertain economic conditions could undermine the business confidence and could have a significant impact on our results of operations. Changing demand patterns from economic volatility and uncertainty could have a significant negative impact on our results of operations.

Further, our performance and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, the market price and liquidity of the Equity Shares may be affected by changes in GoI policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

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

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

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

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

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

in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets.

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

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

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

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

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



## SECTION IV – INTRODUCTION

### THE ISSUE

#### PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS:

<b>Equity Shares<sup>(1)</sup> :</b> Present Issue of Equity Shares by our Company and the Selling Shareholders <sup>(2)</sup>	15,72,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 46 per share aggregating ₹ 723.12 lakhs
<b>Consisting of:</b>	
<b>Fresh Issue</b>	13,05,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 46 per share aggregating ₹ 600.30 lakhs
<b>Offer for Sale</b>	2,67,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 46 per share aggregating ₹ 122.82 lakhs
<b>Of which:</b>	
<b>Issue Reserved for the Market Maker</b>	84,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 46 per share aggregating ₹ 38.64 lakhs
<b>Net Issue to the Public</b>	14,88,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 46 per share aggregating ₹ 684.48 lakhs
	<b>Of Which<sup>(3)</sup>:</b>
	7,44,000 Equity Shares of ₹ 10 each at a price of ₹ 342.24 per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs
	7,44,000 Equity Shares of ₹ 10 each at a price of ₹ 342.24 per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs
<b>Equity Shares outstanding prior to the Issue</b>	42,80,341 Equity Shares
<b>Equity Shares outstanding after the Issue</b>	55,85,341 Equity Shares
<b>Objects of the Issue</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page no. 63 of this Draft Prospectus

<sup>(1)</sup> This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please see the section titled “Issue Related Information” beginning on page no. 184 of this Draft Prospectus.

<sup>(2)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated November 13, 2019 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held with a shorter notice on November 15, 2019.

The Offer for Sale has been authorized by the Selling Shareholders by their consent letter dated November 13, 2019 and the No. of Equity Shares offered are as follows:

Sr. No.	Names of Selling Shareholders	No. of Equity Shares Offered
1.	Mr. Rajkumar Elango	1,17,000
2.	Mr. Venu Gopal Nambiar	75,000
3.	Mrs. Rachel Kattukaran	75,000
<b>Total</b>		<b>2,67,000</b>

The Selling Shareholders have confirmed that the Equity Shares proposed to be offered and sold in the Issue are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholders have also



---

*severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale.*

*<sup>(3)</sup> The allocation' is the net issue to the public category shall be made as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time:*

*Minimum fifty percent to retail individual investors; and Remaining to:*

- i. Individual applicants other than retail individual investors; and*
- ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;*

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

*If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage*

*For further details please refer to the chapter titled "Issue Structure" beginning on page no. 190 of this Draft Prospectus.*

**SUMMARY OF FINANCIAL INFORMATION**
**STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**
*(₹ in lakhs)*

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>EQUITY AND LIABILITIES</b>				
<b>1.Shareholder's fund</b>				
a) Share Capital	29.34	27.64	24.84	19.34
b) Reserves and surplus	45.81	37.67	86.61	(121.92)
<b>Total Shareholder's Fund (1)</b>	<b>75.15</b>	<b>65.31</b>	<b>111.45</b>	<b>(102.58)</b>
<b>2. Non-Current liabilities</b>				
a) Long Term Borrowings	65.54	18.04	18.04	99.29
b) Long Term Provisions	6.13	5.49	4.21	2.28
<b>Total (2)</b>	<b>71.67</b>	<b>23.53</b>	<b>22.25</b>	<b>101.57</b>
<b>3.Current liabilities</b>				
a) Short-term borrowings	13.84	-	-	-
b) Trade payables	31.97	20.86	9.96	21.24
c) Other current liabilities	44.63	29.52	17.52	12.44
d) Short Term Provisions	2.61	2.02	0.19	0.14
<b>Total (3)</b>	<b>93.05</b>	<b>52.40</b>	<b>27.67</b>	<b>33.82</b>
<b>TOTAL(1+2+3)</b>	<b>239.87</b>	<b>141.25</b>	<b>161.37</b>	<b>32.81</b>
<b>ASSETS</b>				
<b>1.Non - Current Assets</b>				
a) Property, plant & equipment				
i.) Tangible assets	131.69	11.32	9.46	9.17
ii.) Intangible assets	-	-	-	-
b) Long Term Loans & Advances	9.58	11.46	3.18	4.08
<b>Total (1)</b>	<b>141.27</b>	<b>22.78</b>	<b>12.64</b>	<b>13.25</b>
<b>2.Current Assets</b>				
a) Inventories	45.61	37.31	15.09	10.26
b) Trade Receivables	9.23	13.20	1.61	7.89
c) Cash and Cash equivalents	4.81	25.75	114.67	0.43
d) Short Term Loans & Advances	38.95	42.12	17.25	0.98
e) Other current assets	-	0.09	0.10	-
<b>Total (2)</b>	<b>98.60</b>	<b>118.47</b>	<b>148.73</b>	<b>19.56</b>
<b>TOTAL(1+2)</b>	<b>239.87</b>	<b>141.25</b>	<b>161.37</b>	<b>32.81</b>

**STATEMENT OF PROFIT AND LOSS, AS RESTATED**

( ₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>INCOME:</b>				
Revenue from operations	93.30	141.66	41.28	73.20
Other Income	0.01	7.81	1.27	0.51
<b>Total Income</b>	<b>93.31</b>	<b>149.47</b>	<b>42.55</b>	<b>73.71</b>
<b>EXPENSES:</b>				
Cost of material consumed	25.01	70.48	49.55	53.11
Purchases of stock in trade	8.78			
Changes in Inventories of finished goods, work-in-progress and stock in trade	(0.51)	(7.41)	(6.10)	4.64
Employee benefit expenses	45.36	136.15	52.31	57.64
Finance costs	0.86	-	2.04	-
Depreciation	2.35	6.45	5.63	4.27
Other Expenses	103.62	157.94	55.08	100.55
<b>Total expenses</b>	<b>185.47</b>	<b>363.61</b>	<b>158.52</b>	<b>220.21</b>
<b>Profit before Prior period item, exceptional item, extraordinary items and tax</b>	<b>(92.16)</b>	<b>(214.14)</b>	<b>(115.97)</b>	<b>(146.50)</b>
Prior period items	-	-	-	-
<b>Profit before exceptional item, extraordinary items and tax</b>	<b>(92.16)</b>	<b>(214.14)</b>	<b>(115.97)</b>	<b>(146.50)</b>
Exceptional items	-	-	-	-
<b>Profit before extraordinary items and tax</b>	<b>(92.16)</b>	<b>(214.14)</b>	<b>(115.97)</b>	<b>(146.50)</b>
Extraordinary items	-	-	-	-
<b>Net Profit /(Loss) before tax</b>	<b>(92.16)</b>	<b>(214.14)</b>	<b>(115.97)</b>	<b>(146.50)</b>
<b>Less: Tax expense</b>				
Current tax	-	-	-	-
Deferred tax (assets)/ liabilities	-	-	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net profit / ( loss ) after tax</b>	<b>(92.16)</b>	<b>(214.14)</b>	<b>(115.97)</b>	<b>(146.50)</b>

**CASH FLOW STATEMENT, AS RESTATED**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>Cash Flow From Operating Activities</b>				
Net Profit before tax and after extra-ordinary items	(92.16)	(214.14)	(115.97)	(146.50)
<b>Adjustments for items:</b>				
Depreciation and amortisation expense	2.35	6.45	5.63	4.27
Loss (Profit) on Sale of Assets	-	0.18	0.00	-
Interest Income	(0.00)	(7.81)	(1.27)	-
Bad debts/advances written off & provision made	5.43	1.81	1.80	0.66
Finance Cost	0.40	-	2.04	-
<b>Operating Profit Before Working Capital Adjustments</b>	<b>(83.99)</b>	<b>(213.51)</b>	<b>(107.75)</b>	<b>(141.56)</b>
<b>Adjustment for Changes in Working Capital</b>				
(Increase) / decrease in trade receivables	(1.46)	(13.39)	4.47	7.58
(Increase) / decrease in Long Term Loans and advances	4.58	(8.28)	0.90	-
(Increase) / decrease in Short Term Loans and advances	3.04	(24.09)	(16.14)	(0.24)
Increase / (decrease) in inventories	(8.30)	(22.21)	(4.83)	9.34
Increase / (decrease) in other current assets	-	-	-	-
Increase / (decrease) in trade payable	11.11	10.89	(11.27)	9.86
Increase / (decrease) in other current liabilities	13.39	12.00	5.08	2.69
Increase / (decrease) in Long Term provisions	0.64	1.28	1.93	(0.06)
Increase / (decrease) in Short term Provisions	0.58	1.84	0.04	0.14
<b>Cash Flow Generated from Operations</b>	<b>(60.42)</b>	<b>(255.47)</b>	<b>(127.58)</b>	<b>(112.26)</b>
Direct taxes paid	(0.13)	0.78	0.13	-
<b>Net Cash flow from Operating Activities (A)</b>	<b>(60.29)</b>	<b>(256.25)</b>	<b>(127.71)</b>	<b>(112.26)</b>
<b>Cash Flow From Investing Activities</b>				
Purchase of Property, plant & equipment	(123.89)	(8.49)	(5.94)	(5.22)
Sale of Property, plant & equipment	-	-	0.01	-
Interest received	0.10	7.82	1.16	-
Profit on Sale of Assets	-	-	-	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(123.79)</b>	<b>(0.67)</b>	<b>(4.76)</b>	<b>(5.22)</b>
<b>Cash Flow From Financing Activities</b>				
Issue of Share Capital	1.70	2.80	5.50	13.82
Share premium	100.30	165.20	324.50	9.88
Net proceeds from short term borrowings	66.50	57.30	57.30	90.84
Borrowings repaid	(5.16)	(57.30)	(138.55)	-
Interest paid	(0.21)	-	(2.04)	(0.02)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>163.13</b>	<b>168.00</b>	<b>246.71</b>	<b>114.52</b>
<b>Net Cash Flow during the year ( A + B + C )</b>	<b>(20.95)</b>	<b>(88.92)</b>	<b>114.24</b>	<b>(2.96)</b>
Cash & Cash equivalent at the beginning of the year	25.75	114.67	0.43	3.39
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<b>4.81</b>	<b>25.75</b>	<b>114.67</b>	<b>0.43</b>

## GENERAL INFORMATION

Our Company was incorporated as “Valencia Nutrition Private Limited” on April 01, 2013 under the Companies Act, 1956 with the Registrar of Companies, Karnataka bearing Registration No. 068380. Subsequently, the status of our Company was changed to public limited company and the name of our Company was changed to “Valencia Nutrition Limited” vide Special Resolution dated March 09, 2018. A fresh certificate of incorporation consequent to conversion into public limited company was issued to our Company by the Registrar of Companies, Bangalore on April 09, 2018. The Company’s Corporate Identity Number is U51909KA2013PLC068380.

For further details, please refer to the chapter titled “History and Certain Corporate Matters” beginning on page no. 107 of this Draft Prospectus.

## BRIEF COMPANY AND ISSUE INFORMATION

<b>Registered Office</b>	<b>Address:</b> D. No. 134, 6 <sup>th</sup> Main, 1 <sup>st</sup> Block, Banashankari, 3 <sup>rd</sup> Stage, Bangalore - 560 085, Karnataka <b>Tel No:</b> +91 80 2679 9552 <b>Email:</b> info@valencianutrition.com <b>Website:</b> www.valencianutrition.com
<b>Date of Incorporation</b>	April 01, 2013
<b>Company Registration No.</b>	068380
<b>Company Identification No.</b>	U51909KA2013PLC068380
<b>Address of Registrar of Companies</b>	<b>Address:</b> ‘E’ Wing, 2 <sup>nd</sup> Floor, Kendriya Sadana, Kormangala, Bangalore - 560 034 <b>Tel No.:</b> +91 80 2563 3105 / 2553 7449 / 2563 3104 <b>Fax No.:</b> +91 80 2553 8531
<b>Issue Programme</b>	Issue Opens on: [•] Issue Closes on: [•]
<b>Designated Stock Exchange</b>	BSE Limited
<b>Company Secretary and Compliance Officer</b>	<b>Mr. Adarsha K R</b> <b>Address:</b> D. No. 134, 6 <sup>th</sup> Main, 1 <sup>st</sup> Block, Banashankari, 3 <sup>rd</sup> Stage, Bangalore - 560 085, Karnataka <b>Tel No:</b> +91 80 2679 9552 <b>Email:</b> info@valencianutrition.com <b>Website:</b> www.valencianutrition.com

## BOARD OF DIRECTORS OF OUR COMPANY

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

Name	Designation	Address	DIN
Mrs. Deepthi Anand	Managing Director	Flat No. C-1004, Sterling Terraces, Outer Ring Road, BSK 3 <sup>rd</sup> Stage, Bangalore - 560 085, Karnataka	05246641
Mr. Manish Turakhia	Chairman & Non Executive Director	Flat No. 12, Shree Sadan CHS, Kirol Road, Cama Lane, Ghatkopar West, Mumbai - 400 086, Maharashtra	02265579
Ms. Prabhha Shankarran	Executive Director	B7-201, L&T South City, Bannerghatta Road, Near Arekere Mico Layout, Bangalore - 560 076, Karnataka	07906258
Mr. Stavan Ajmera	Non Executive Director	B-404, Rahul Sky Building, Dev Nagar, New Sai Baba Nagar, Off Boraspada Road, Opp. Pawar Public School, Kandivali West, Mumbai - 400 067, Maharashtra	08112696
Mr. Haresh Sanghvi	Non Executive Independent Director	A/6, Mazdock Apartment, 74/G, J P Road, 7 Bungalows, Andheri West, Mumbai - 400 061	00006301
Mr. Guhesh Ramanathan	Non Executive Independent Director	2062, Sobha Daffodil, Sector 2, HSR Layout, Bengaluru - 560 102 Karnataka	03579684

For further details pertaining to the educational qualification and experience of our Directors, for details please refer to the chapter titled “Our Management” beginning on page no. 111 of this Draft Prospectus.

*Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and unblocking of funds. All grievances relating to the application process may be addressed to the Registrar to the Issue with a copy to the SCSBs, giving full details such as name, address of Applicant, application number, number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSB where the Application Form was submitted by the Applicants.*

## **DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY**

### **LEAD MANAGER TO THE ISSUE**



#### **ARYAMAN FINANCIAL SERVICES LIMITED**

60, Khatau Building, Gr. Floor  
Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.)  
Fort, Mumbai - 400 001  
**Tel. No.:** +91 22 6216 6999  
**Website:** www.afsl.co.in  
**Email:** ipo@afsl.co.in  
**Investor Grievance Email:** feedback@afsl.co.in  
**Contact Person:** Mrs. Jyothi Shetty / Ms Hiral Motani  
**SEBI Registration No.:** INM000011344

### **REGISTRAR TO THE ISSUE/ SHARE ESCROW AGENT**



#### **BIGSHARE SERVICES PRIVATE LIMITED**

1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis  
Makwana Road, Marol, Andheri East, Mumbai – 400 059  
**Tel:** +91 22 6263 8200  
**Email:** ipo@bigshareonline.com  
**Website:** www.bigshareonline.com  
**Contact Person:** Mr. Babu Rapheal  
**SEBI Registration No.:** INR000001385

### **LEGAL COUNSEL TO THE ISSUE**



#### **M/s. KANGA & CO. (ADVOCATE & SOLICITORS)**

Readymoney Mansion, 43, Veer Nariman Road  
Fort, Mumbai - 400 001  
**Tel No.:** +91 22 6623 0000 / 6633 2288  
**Fax No.:** +91 22 6633 9656 / 57  
**Email:** chetan.thakkar@kangacompany.com  
**Website:** www.kangacompany.com  
**Contact Person:** Mr. Chetan Thakkar

### **STATUTORY AUDITORS OF THE COMPANY**

#### **M/s Balakrishna & Co., Chartered Accountants**

24, Comfort Towers, 10<sup>th</sup> Cross  
Wilson Garden, Bangalore - 560 027, Karnataka  
**Tel No.:** +91 80 2222 1493 / 2227 4736  
**Email:** prasad@balakrishnaandco.com  
**Website:** www.balakrishnaandco.com

**Contact Person:** CA Kumar Prasad B. E.  
**Membership No.:** 204844  
**Peer Review No.:** 008627  
**Firm Registration No.:** 004835S

#### **CHANGE IN AUDITORS**

There has been no change in the statutory auditors during the three years immediately preceding the date of this Draft Prospectus.

#### **BANKER(S) TO OUR COMPANY**



##### **HDFC BANK LIMITED**

No 1, Kathriguppe Main Road, 3rd Phase, 3<sup>rd</sup> Stage  
4<sup>th</sup> Block, Opp. Food World, Banashankari  
Bangalore – 560085, Karnataka

**Tel:** +91 80267 94016

**Email:** mohan.kulkarni@hdfcbank.com

**Website:** www.hdfcbank.com

**Contact Person:** Mr. Mohan Kulkarni

#### **BANKER TO THE ISSUE**

[•]

#### **SELF CERTIFIED SYNDICATE BANKS**

The list of SCSBs notified by SEBI for the ASBA process is available on the SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time.

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

Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form(s) of Applicant (other than RIIs) is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

#### **BROKERS TO THE ISSUE**

Applicants can submit Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centers. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

#### **REGISTRAR TO OFFER AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time.



## **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time.

## **INTER-SE ALLOCATION OF RESPONSIBILITIES**

Aryaman Financial Services Limited (AFSL) is the Lead Manager (LM) to the Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them.

## **MONITORING AGENCY**

As per Regulation 262(1) of the SEBI (ICDR) Regulations, 2018 the requirement of Monitoring Agency is not mandatory if the issue size is below ₹ 10,000 lakhs and hence our Company has not appointed a monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

## **IPO GRADING**

Since the issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading agency.

## **TRUSTEES**

This being an Issue of Equity Shares, the appointment of trustees is not required.

## **DETAILS OF THE APPRAISING AUTHORITY**

The objects of the Issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

## **CREDIT RATING**

This being an Issue Equity Shares, credit rating is not required.

## **EXPERT OPINION**

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

Our Company has received written consent from the Statutory Auditor namely, M/s. Balakrishna and Co., Chartered Accountants, to include their name in respect of the reports on the Restated Financial Statements dated November 16, 2019 and the Statement of Tax Benefits dated November 16, 2019, issued by them and included in this Draft Prospectus, as required under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Draft Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

## **FILING OF OFFER DOCUMENT**

The Draft Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 246 of SEBI (ICDR), 2018. However, pursuant to sub regulation (5) of regulation 246, the copy of Draft Prospectus shall also be furnished to the Board in a soft copy. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI

Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Prospectus along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the Registrar of Company, Bangalore, situated at 'E' Wing, 2<sup>nd</sup> Floor, Kendriya Sadana, Kormangala, Bangalore – 560 034.

## ISSUE PROGRAMME

An indicative time table in respect of the Issue is set out below:

Event	Indicative Date
Issue Opening Date	[•]
Issue Closing Date	[•]
Finalization of Basis of Allotment with the Designated Stock Exchange	[•]
Initiation of Allotment / Refunds / Unblocking of Funds	[•]
Credit of Equity Shares to demat accounts of Allottees	[•]
Commencement of trading of the Equity Shares on the Stock Exchange	[•]

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m.** (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Selling Shareholders nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

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

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

## UNDERWRITING

This Issue is 100% Underwritten. The Underwriting agreement is dated November 16, 2019. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions specified therein. The Underwriter has indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriters	No. of Shares Underwritten	Amt Underwritten (₹ in Lakhs)	% of the Total Issue Size Underwritten
<b>Aryaman Financial Services Limited</b> 60, Khatau Building, Gr. Floor Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 <b>Tel. No.:</b> +91 22 6216 6999 <b>Email:</b> ipo@afsl.co.in	14,88,000	684.48	94.66%
<b>Aryaman Capital Markets Limited</b> 60, Khatau Building, Gr. Floor Alkesh Dinesh Modi Marg, Opp. P.J. Tower BSE Bldg.), Fort, Mumbai - 400 001 <b>Tel. No.:</b> +91 22 6216 6999 <b>Email:</b> aryacapm@gmail.com	84,000	38.64	5.34%
<b>Total</b>	<b>15,72,000</b>	<b>723.12</b>	<b>100.00%</b>

As per Regulation 260(2) of SEBI (ICDR) Regulations, 2018, the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account.

In the opinion of the Board of Directors (based on certificate given by the Underwriter), the resources of the above mentioned Underwriter are sufficient to enable them to discharge their respective underwriting obligations in full. The above – mentioned Underwriter are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

## WITHDRAWAL OF THE ISSUE

Our Company and the Selling Shareholders, in consultation with the Lead Manager, reserve the right not to proceed with the Fresh Issue and the Selling Shareholders reserves the right not to proceed with the Offer for Sale, in whole or part thereof, to the extent of offered shares, at any time after the Application /Issue Opening Date but before the Board Meeting for Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Application /Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicant and the Escrow Collection Bank to release the Application Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and the Selling Shareholder, in consultation with the Lead Manager withdraw the Issue after the Application/Issue Closing Date and thereafter determine that they will proceed with public offering of the Equity Shares, our Company shall file a fresh draft prospectus with the Stock Exchanges.

## MARKET MAKER



### **ARYAMAN CAPITAL MARKETS LIMITED**

60, Khatau Building, Ground Floor  
Alkesh Dinesh Modi Marg, Opp. P.J. Tower  
(BSE Building), Fort, Mumbai - 400 001

**Tel. No.:** +91 22 6216 6999

**Email:** aryacpm@gmail.com

**Contact Person:** Mr. Harshad Dhanawade

**SEBI Registration No.:** INZ000004739

**Market Maker Reg. No.:** SMEMM0651421122012

### **Details of the Market Making Arrangement for this Issue**

Our Company and the Lead Manager, have entered into an agreement dated November 16, 2019 with Aryaman Capital Markets Limited (“ACML”), a Market Maker registered with BSE StartUp Segment under SME Platform of BSE Limited in order to fulfil the obligations of Market Making

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

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than K 1,00,000 shall be allowed to Issue their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and BSE StartUp Segment under SME Platform of BSE Limited from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
5. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
6. The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on BSE StartUp Segment under SME Platform of BSE Limited and Market Maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems or any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
8. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
9. The Market Maker shall have the right to terminate the said arrangement by giving a three months notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above mentioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further the Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time.

10. **Risk containment measures and monitoring for Market Maker:** BSE StartUp Segment under SME Platform of BSE Limited will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
11. **Punitive Action in case of default by Market Maker:** BSE StartUp Segment under SME Platform of BSE Limited will monitor the obligations on a real-time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

12. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to ₹ 250 Crores, the applicable price bands for the first day shall be:
- In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

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

The following spread will be applicable on the SME Exchange Platform:

Sr. No.	Market Price Slab (in ₹)	Proposed spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	7
4.	Above 100	6

13. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Markets Makers during market making process has been made applicable, based on the issue size and as follows:

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

<b>Issue Size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)</b>	<b>Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)</b>
₹ 50 Crore to ₹ 80 Crore	15%	14%
Above ₹ 80 Crore	12%	11%

All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

On the first day of listing, there will be a pre-open session (call auction) and there after trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.

## CAPITAL STRUCTURE

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

(₹ in lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
A.	<b>Authorised Share Capital out of which:</b>		
	55,00,000 Equity Shares of face value of ₹ 10 each	550.00	-
B.	<b>Issued, Subscribed and Paid-up Share Capital before the Issue out of which</b>		
	42,80,341 Equity Shares of face value of ₹ 10 each	428.03	-
C.	<b>Present Issue in terms of this Draft Prospectus<sup>(1)</sup></b>		
	Issue of 15,72,000 Equity Shares of ₹ 10 each at a price of ₹ 46 per Equity Share	157.20	723.12
	<b>Consisting of:</b>		
	Fresh Issue 13,05,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 46 per Equity Share	130.50	600.30
	Offer for Sale of 2,67,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 46 per Equity Share	26.70	122.82
	<b>Which comprises:</b>		
	84,000 Equity Shares of ₹ 10 each at a price of ₹ 46 per Equity Share reserved as Market Maker Portion	8.40	38.64
	Net Issue to Public of 14,88,000 Equity Shares of ₹ 10 each at a price of ₹ 46 per Equity Share to the Public	148.80	684.48
	<b>Of which<sup>(2)</sup>:</b>		
	7,44,000 Equity Shares of ₹ 10 each at a price of ₹ 46 per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs	74.40	342.24
	7,44,000 Equity Shares of ₹ 10 each at a price of ₹ 46 per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs	74.40	342.24
D.	<b>Paid-up Equity Share Capital after the Issue</b>		
	55,85,341 Equity Shares of ₹ 10 each		558.53
E.	<b>Securities Premium Account</b>		
	Before the Issue (as on date of this Draft Prospectus)		737.77
	After the Issue		1207.57

<sup>(1)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated November 13, 2019 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held with a shorter notice on November 15, 2019.

<sup>(2)</sup> The Offer for Sale has been authorized by the Selling Shareholders by their consent letter dated November 13, 2019 and the No. of Equity Shares offered are as follows:

Sr. No.	Names of Selling Shareholders	No. of Equity Shares Offered
1.	Mr. Rajkumar Elango	1,17,000
2.	Mr. Venu Gopal Nambiar	75,000
3.	Mrs. Rachel Kattukaran	75,000



<b>Sr. No.</b>	<b>Names of Selling Shareholders</b>	<b>No. of Equity Shares Offered</b>
<b>Total</b>		<b>2,67,000</b>

*The Selling Shareholders have confirmed that the Equity Shares proposed to be offered and sold in the Issue are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholders have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale.*

<sup>(3)</sup> *The allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.*

Our Company has no outstanding convertible instruments as on the date of this Draft Prospectus.

### **Changes in Authorized Share Capital**

Since incorporation, the capital structure of our Company has been altered in the following manner:

1. The initial authorized share capital of ₹ 1,00,000 divided into 10,000 Equity Shares of ₹ 10 each was increased to ₹ 3,00,000 divided into 30,000 Equity Shares of ₹ 10 each pursuant to resolution of shareholders passed at the EGM held on March 13, 2014.
2. The authorized share capital of the company of ₹ 3,00,000 divided into 30,000 Equity Shares of ₹ 10 each was increased to ₹ 4,50,000 divided into 45,000 Equity Shares of ₹ 10 each pursuant to resolution of shareholders passed at the EGM held on November 24, 2014.
3. The authorized share capital of the company of ₹ 4,50,000 divided into 45,000 Equity Shares of ₹ 10 each was increased to ₹ 6,00,000 divided into 60,000 Equity shares of ₹ 10 each pursuant to resolution of shareholders passed at the EGM held on May 04, 2015.
4. The authorized share capital of the company of ₹ 6,00,000 divided into 60,000 Equity Shares of ₹ 10 each was increased to ₹ 25,00,000 divided into 2,50,000 Equity shares of ₹ 10 each pursuant to resolution of shareholders passed at the EGM held on October 24, 2016.
5. The authorized share capital of the company of ₹ 25,00,000 divided into 2,50,000 Equity Shares of ₹ 10 each was increased to ₹ 5,50,00,000 divided into 55,00,000 Equity shares of ₹ 10 each pursuant to resolution of shareholders passed at the EGM held on November 27, 2017.

### **NOTES TO THE CAPITAL STRUCTURE**

#### **1. Share Capital History of our Company:**

##### **a. Equity Share Capital**

Our Company has made allotments of Equity Shares from time to time.

The following is the Equity Share Capital Build-up of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Nature of Consideration	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (₹)	Cumulative Share Premium (₹ in Lakhs)
Upon Incorporation <sup>(1)</sup>	10,000	10	10.00	Subscription to MOA	Cash	10,000	1,00,000	Nil
March 28, 2014 <sup>(2)</sup>	9,170	10	631.70	Right Issue	Cash	19,170	1,91,700	57.01
June 02, 2014 <sup>(3)</sup>	8,706	10	631.70	Right Issue	Cash	27,876	2,78,760	111.14
December 01, 2014 <sup>(4)</sup>	7,916	10	631.70	Right Issue	Cash	35,792	3,57,920	160.35
March 27, 2015 <sup>(5)</sup>	7,916	10	631.70	Right Issue	Cash	43,708	4,37,080	209.56
July 01, 2015 <sup>(6)</sup>	5,868	10	631.70	Right Issue	Cash	49,576	4,95,760	246.04
October 08, 2015 <sup>(7)</sup>	2,584	10	1,353.60	Right Issue	Cash	52,160	5,21,600	280.76
December 30, 2015 <sup>(8)</sup>	1,920	10	1,353.60	Right Issue	Cash	54,080	5,40,800	306.56
March 03, 2016 <sup>(9)</sup>	1,108	10	1,353.60	Right Issue	Cash	55,188	5,51,880	321.45
May 06, 2016 <sup>(10)</sup>	738	10	1353.60	Right Issue	Cash	55,926	5,59,260	331.36
October 24, 2016 <sup>(11)</sup>	1,37,481	10	10.00	Preferential Allotment	Other than Cash	1,93,407	19,34,070	331.36
December 18, 2017 <sup>(12)</sup>	36,667	10	600.00	Preferential Allotment	Cash	2,30,074	23,00,740	547.70
March 19, 2018 <sup>(13)</sup>	18,333	10	600.00	Preferential Allotment	Cash	2,48,407	24,84,070	655.86
May 23, 2018 <sup>(14)</sup>	28,000	10	600.00	Preferential Allotment	Cash	2,76,407	27,64,070	821.06
June 19, 2019 <sup>(15)</sup>	17,000	10	600.00	Preferential Allotment	Cash	2,93,407	29,34,070	921.36
July 6, 2019 <sup>(16)</sup>	7,500	10	600.00	Preferential Allotment	Cash	3,00,907	30,09,070	965.61
September 04, 2019 <sup>(17)</sup>	7,850	10	600.00	Preferential Allotment	Cash	3,08,757	30,87,570	1011.93
November 04, 2019 <sup>(18)</sup>	10,000	10	600.00	Preferential Allotment	Cash	3,18,757	31,87,570	1,070.925
November 11, 2019 <sup>(19)</sup>	10,500	10	600.00	Preferential Allotment	Cash	3,29,257	32,92,570	1132.88
November 13, 2019 <sup>(19)</sup>	39,51,084	10	Nil	Bonus Allotment	Other than Cash	42,80,341	4,28,03,410	737.77

<sup>(1)</sup> Initial Subscription to the MOA by Mrs. Deepthi Anand and Mrs. Gayatri Gurudatta of 5,000 Equity Shares each.

<sup>(2)</sup> Pursuant to Board Meeting held on March 28, 2014 our Company has allotted 9,170 Equity Shares on Rights basis in the ratio of 1 Equity Share for every 1 Equity share held to Mr. Rajkumar Elango, Mr. Venu Gopal Nambiar and Mrs. Rachel Kattukaran.

<sup>(3)</sup> Pursuant to Board Meeting held on June 02, 2014 our Company has allotted 8,706 Equity Shares on Rights basis in the ratio of 1 Equity Share for every 1 Equity share held to Mr. Rajkumar Elango, Mr. Venu Gopal Nambiar and Mrs. Rachel Kattukaran.

<sup>(4)</sup> Pursuant to Board Meeting held on December 01, 2014 our Company has allotted 7,916 Equity Shares on Rights basis in the ratio of 1 Equity Share for every 1 Equity share held to Mr. Rajkumar Elango and Mrs. Rachel Kattukaran.

- 
- (5) Pursuant to Board Meeting held on March 27, 2015 our Company has allotted 7,916 Equity Shares on Rights basis in the ratio of 1 Equity Shares for every 4 Equity shares held to Mr. Rajkumar Elango, Mr. Venu Gopal Nambiar, Mrs. Rachel Kattukaran and Orchid Consultancy Services Private Limited.
- (6) Pursuant to Board Meeting held on July 1, 2015 our Company has allotted 5,868 Equity Shares on Rights basis in the ratio of 1 Equity Shares for every 1.5 Equity share held to Mr. Rajkumar Elango, Mr. Venu Gopal Nambiar and Mrs. Rachel Kattukaran.
- (7) Pursuant to Board Meeting held on October 08, 2015 our Company has allotted 2,584 Equity Shares on Rights basis in the ratio of 1 Equity Shares for every 8 Equity shares held to Mr. Venu Gopal Nambiar and Mrs. Rachel Kattukaran.
- (8) Pursuant to Board Meeting held on December 30, 2015 our Company has allotted 1,920 Equity Shares on Rights basis in the ratio of 1 Equity Shares for every 5 Equity shares held to Mr. Venu Gopal Nambiar and Mrs. Rachel Kattukaran.
- (9) Pursuant to Board Meeting held on March 03, 2016 our Company has allotted 1,108 Equity Shares on Rights basis in the ratio of 1 Equity Shares for every 25 Equity shares held to Mr. Venu Gopal Nambiar and Mrs. Rachel Kattukaran.
- (10) Pursuant to Board Meeting held on May 06, 2015 our Company has allotted 738 Equity Shares on Rights basis in the ratio of 1 Equity Shares for every 25 Equity share held to Mr. Venu Gopal Nambiar and Mrs. Rachel Kattukaran.
- (11) Pursuant to Board Meeting held on October 24, 2016, our Company has allotted 1,37,481 Equity Shares on Preferential basis to Mrs. Deepthi Anand for adjustment against outstanding payable to her by our Company.
- (12) Pursuant to Board Meeting held on December 18, 2017 our Company has allotted 4,167 Shares to H M Arvindkumar Ventures LLP, 8,333 Shares to Arham Ventures (represented by Partner Mr. Manish Turakhia), 3,333 Shares to Ample Ventures (represented by Partner Mr. Manish Turakhia), 1,667 to Ashit Alapi Ventures (represented by Partner Mr. Manish Turakhia), 7,500 Shares Vishwa Vama Ventures (represented by Partner Mr. Manish Turakhia), 4,167 Shares to Sanghavi Ventures (represented by Partner Mr. Manish Turakhia) and 7,500 Shares to Jash Ventures (represented by Partner Mr. Manish Turakhia) aggregating to 36,667 Equity Shares on Preferential basis.
- (13) Pursuant to Board Meeting held on March 19, 2018 our Company has allotted 18,333 Equity Shares to Mr. Manish Turakhia on Preferential basis.
- (14) Pursuant to Board Meeting held on May 23, 2018 our Company has allotted 17,000 Shares to Chauhan Ventures LLP, 5,000 Shares to Simran Ventures (represented by Partner Mr. Manish Turakhia), 3,000 Shares to JMR Ventures (represented by Partner Mr. Manish Turakhia) and 3,000 Shares to JB Ventures (represented by Partner Mr. Manish Turakhia) aggregating to 28,000 Equity Shares on Preferential basis.
- (15) Pursuant to Board Meeting held on June 19, 2019 our Company has allotted 17,000 Equity Shares to Veer Value Ventures LLP on Preferential basis.
- (16) Pursuant to Board Meeting held on July 06, 2019 our Company has allotted 7,500 Equity Shares to Veer Value Ventures LLP on Preferential basis.
- (17) Pursuant to Board Meeting held on September 04, 2019, our Company has allotted 7,850 Shares to Jash Ventures (represented by Partner Mr. Manish Turakhia) on Preferential basis.
- (18) Pursuant to Board Meeting held on November 04, 2019, our Company has allotted 10,000 Equity Shares to Veer Value Ventures LLP on Preferential basis.
- (19) Pursuant to Board Meeting held on November 11, 2019, our Company has allotted 10,500 Equity Shares to Veer Value Ventures LLP on Preferential basis.

<sup>(20)</sup> Pursuant to Board Meeting held on November 13, 2019, our Company has issued 39,51,084 Bonus Shares in the ratio 12:1 i.e. 12 Bonus Shares for every 1 Share held, by way of capitalizing Securities Premium Account.

**b. Our Company has not issued Equity Shares for consideration other than cash or out of Revaluation Reserves except as disclosed below:**

Date of Allotment of Equity Shares	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature / Reason of Allotment	Allotted Person	Benefit Accrued to the Company
October 24, 2016	1,37,481	10	10	Preferential Allotment	Mrs. Deepthi Anand	Adjusted against salary payable and other outstandings
November 13, 2019	39,51,084	10	Nil	Bonus Allotment	Allotted to all the Shareholders of the Company	Other than Cash

- No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.
- Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
- No bonus shares have been issued out of Revaluation Reserves.
- No shares have been issued at a price lower than the Issue Price within the last one year from the date of this Draft Prospectus except as mentioned below:

Date of Allotment	Name of Allottees	Number of Shares	Face Value (₹)	Issue Price (₹)	Reasons
November 13, 2019 <sup>(1)</sup>	Mrs. Deepthi Anand	17,35,296	10	Nil	Bonus Allotment
	Veer Value Ventures LLP	5,40,000			
	Mr. Manish Turakhia	2,19,996			
	Chauhan Ventures LLP	2,04,000			
	Jash Ventures (represented by Partner Mr. Manish Turakhia)	1,84,200			
	Mr. Rajkumar Elango	1,66,548			
	Mr. Venu Gopal Nambiar	1,66,020			
	Mrs. Rachel Kattukaran	1,66,020			
	Arham Ventures (represented by Partner Mr. Manish Turakhia)	99,996			
	VishvaVama Ventures (represented by Partner Mr. Manish Turakhia)	90,000			
	Simran Ventures (represented by Partner Mr. Manish Turakhia)	60,000			
	H M Arvindkumar Ventures LLP	50,004			
	Sanghavi Ventures (represented by Partner Mr. Manish Turakhia)	50,004			
	Mr. Akshaya T M	49,200			
	Ample Ventures (represented by Partner Mr. Manish Turakhia)	39,996			
	JMR Ventures (represented by Partner Mr. Manish Turakhia)	36,000			
	JB Ventures (represented by Partner Mr. Manish Turakhia)	36,000			
Ashit Alapi Ventures (represented by Partner Mr. Manish Turakhia)	20,004				

Date of Allotment	Name of Allottees	Number of Shares	Face Value (₹)	Issue Price (₹)	Reasons
	Turakhia)				
	Ms. Prabhha Shankarran	9,600			
	Mr. CM Reddy	9,000			
	Mr. Peeyush Agrawal	4,800			
	Mr. Ramamohana Kote	3,600			
	Mr. Prashant Sankarran	3,600			
	Mr. Stavan Ajmera	2,400			
	Mr. Guhesh Ramanathan	3,600			
	Mr. R Navneeth	1,200			

<sup>(1)</sup> Pursuant to Board Meeting held on November 13, 2019, our Company has allotted 39,51,084 Bonus Shares to all the shareholders of the Company in the ratio of 12:1 i.e. 12 equity shares for every equity share held to the shareholders, by way of capitalization of Securities Premium Account.

## 6. Shareholding pattern of our Company

The following is the shareholding pattern of the Company as on the date of this Draft Prospectus:

Category (I)	Category of Share-holder (II)	No. of Share-holder (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares Underlying Depository Receipts (VI)	Total Nos. Shares held (VII) = (IV) + (V) + (VI)	Share holding as a % of total No. of Shares (calculated As per SCRR, 1957)(VIII)As a % of (A+B+C2)	Number of Voting Rights held in each Class of securities (IX)				No of Underlying Outstanding securities (incl. Warrants)(X)	Share Holding as a % assuming Full convertible securities (as a % of Diluted Share Capital)(XD)=(VII)+(X) As a % of (A+B+C2)	Number of Locked In shares (XII)		No. of shares Pledged Or Otherwise encumbered (XIII)		No. of Equity shares held in Demat form (XIV)*
								No of voting Right			Total As a %of(A+B+C)			No (a)	As a %of total shares held (b)	No (a)	As a % of total shares held (b)	
								Class-Equity	Classes	Total								
(A)	Promoters & Promoter Group	12	35,67,954	-	-	35,67,954	83.36%	35,67,954	-	35,67,954	83.36%	-	-	-	-	-	-	2,74,458
(B)	Public	14	7,12,387	-	-	7,12,387	16.64%	7,12,387	-	7,12,387	16.64%	-	-	-	-	-	-	54,799
(C)	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>26</b>	<b>42,80,341</b>	-	-	<b>42,80,341</b>	<b>100.00%</b>	<b>42,80,341</b>	-	<b>42,80,341</b>	<b>100.00%</b>	-	-	-	-	-	-	<b>3,29,257</b>

\*Corporate Action of 39,51,084 Equity Shares allotted vide Board Resolution dated November 13, 2019 through Bonus Issue is in the process of allotment in demat form..

- i. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1.	Mrs. Deepthi Anand	18,79,904	43.92%
2.	Veer Value Ventures LLP	5,85,000	13.67%
3.	Mr. Manish Turakhia	2,38,329	5.57%
4.	Chauhan Ventures LLP	2,21,000	5.16%
5.	Jash Ventures (represented by Partner Mr. Manish Turakhia)	1,99,550	4.66%
6.	Mr. Rajkumar Elango	1,80,427	4.22%
7.	Mr. Venu Gopal Nambiar	1,79,855	4.20%
<b>Total</b>		<b>34,84,065</b>	<b>81.40%</b>

- ii. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company ten days prior to date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1.	Mrs. Deepthi Anand	18,79,904	43.92%
2.	Veer Value Ventures LLP	5,85,000	13.67%
3.	Mr. Manish Turakhia	2,38,329	5.57%
4.	Chauhan Ventures LLP	2,21,000	5.16%
5.	Jash Ventures (represented by Partner Mr. Manish Turakhia)	1,99,550	4.66%
6.	Mr. Rajkumar Elango	1,80,427	4.22%
7.	Mr. Venu Gopal Nambiar	1,79,855	4.20%
<b>Total</b>		<b>34,84,065</b>	<b>81.40%</b>

- iii. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company one year prior to date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1.	Mrs. Deepthi Anand	1,44,608	52.32%
2.	Mr. Manish Turakhia	18,333	6.63%
3.	Chauhan Ventures LLP	17,000	6.15%
4.	Mr. Rajkumar Elango	13,879	5.02%
5.	Mr. Venu Gopal Nambiar	13,835	5.01%
6.	Mrs. Rachel Kattukaran	13,835	5.01%
<b>Total</b>		<b>2,21,490</b>	<b>80.13%</b>

- iv. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company two years prior to date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1.	Mrs. Deepthi Anand	1,44,608	62.85%
2.	Mr. Rajkumar Elango	13,879	6.03%
3.	Mr. Venu Gopal Nambiar	13,835	6.01%
4.	Mrs. Rachel Kattukaran	13,835	6.01%
<b>Total</b>		<b>1,86,157</b>	<b>80.91%</b>



7. Except as disclosed in this Draft Prospectus, our Company does not have any intention or proposal to alter our capital structure within a period of 6 months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further public issue or qualified institutions placement or otherwise. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

## 8. Shareholding of our Promoters

Set forth below are the details of the build-up of shareholding of our Promoters:

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Shares	F.V (₹)	Issue / Transfer Price (₹)	Cumulative no. of Shares	% of Pre-Issue Paid Up Capital	% of Post-Issue Paid Up Capital	Lock in Period
<b>Mrs. Deepthi Anand</b>									
April 01, 2013 <sup>(1)</sup>	Subscription to MOA	Cash	5,000	10	10	5,000	0.12%	0.09%	3 Years
May 02, 2016	Transfer	Cash	2,127	10	10	7,127	0.05%	0.04%	3 Year
October 24, 2016 <sup>(2)</sup>	Preferential Allotment	Other than Cash	1,37,481	10	10	1,44,608	3.21%	2.46%	3 Years
November 13, 2019 <sup>(3)</sup>	Bonus Allotment	Other than Cash	9,89,392	10	N.A	18,79,904	40.54%	31.07%	3 Years
			7,45,904						1 Year
<b>Mr. Manish Turakhia</b>									
March 09, 2018	Preferential Allotment	Cash	18,333	10	600	18,333	0.43%	0.33%	1 Year
November 13, 2019 <sup>(3)</sup>	Bonus Allotment	Other than Cash	2,19,996	10	N.A	2,38,329	5.14%	3.94%	1 Year

- (1) Initial Subscription to the MOA by Mrs. Deepthi Anand and Mrs. Gayatri Gurudatta of 5,000 Equity Shares each.
- (2) Pursuant to Board Meeting held on October 24, 2016 our Company has allotted 1,37,481 Equity Shares on Preferential basis to Mrs. Deepthi Anand for adjustment against outstanding payable.
- (3) Pursuant to Board Meeting held on November 13, 2019, our Company has issued 39,51,084 Bonus Shares in the ration 12:1 i.e. 12 Bonus Shares for every 1 Share held, by way of capitalizing Securities Premium Account.

### Notes:

- None of the shares belonging to our Promoters have been pledged till date.
- The entire Promoter's shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Draft Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations. For details please see Note no. 11 of "Capital Structure" on page no. 49 of this Draft Prospectus.

- Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
- All the shares held by our Promoters, were fully paid-up on the respective dates of acquisition of such shares.

### 9. Details of Offer for Sale

The following are the details of the Equity Shares being offered as part of the Offer for Sale:

Sr. No.	Name of Selling Shareholder	Total Number of Equity Shares currently held	Number of Equity Shares offered for the Offer for Sale
1.	Mr. Rajkumar Elango	180,427	1,17,000
2.	Mr. Venu Gopal Nambiar	179,855	75,000
3.	Mrs. Rachel Kattukaran	179,855	75,000
<b>Total</b>		<b>5,40,137</b>	<b>2,67,000</b>

Set forth below are the details of the build-up of Equity Shares offered for the Offer for Sale by the respective Selling Shareholders:

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Shares	F.V (₹)	Issue / Transfer Price (₹)	Cumulative no. of Shares
<b>Mr. Rajkumar Elango</b>						
March 28, 2014	Right Issue	Cash	3,100	10	631.70	3,656
			556 <sup>(1)</sup>			
June 02, 2014	Right Issue	Cash	3,482 <sup>(1)</sup>	10	631.70	7,138
December 01, 2014	Right Issue	Cash	3,166 <sup>(1)</sup>	10	631.70	10,304
March 27, 2015	Right Issue	Cash	3,166 <sup>(1)</sup>	10	631.70	13,470
July 01, 2015	Right Issue	Cash	2360 <sup>(1)</sup>	10	631.70	15,830
May 02, 2016	Transfer	Cash	1,149 <sup>(1)</sup>	10	10	16,979
January 01, 2017	Transfer (Gift)	Other than Cash	(3,100)	10	NA	13,879
November 13, 2019	Bonus Allotment	Other than Cash	1,03,121 <sup>(1)</sup>	10	NA	1,80,427
			63,427			
<b>Mr. Venu Gopal Nambiar</b>						
March 28, 2014	Right Issue	Cash	2,075	10	631.70	2,757
			682 <sup>(1)</sup>			
June 02, 2014	Right Issue	Cash	2,612 <sup>(1)</sup>	10	631.70	5,369
March 27, 2015	Right Issue	Cash	1,187 <sup>(1)</sup>	10	631.70	6,556
March 29, 2015	Transfer	Cash	3,563 <sup>(1)</sup>	10	10	10,119
July 01, 2015	Right Issue	Cash	1,754 <sup>(1)</sup>	10	631.70	11,873
October 8, 2015	Right Issue	Cash	1,292 <sup>(1)</sup>	10	1353.60	13,165
December 30, 2015	Right Issue	Cash	960 <sup>(1)</sup>	10	1353.60	14,125
March 03, 2016	Right Issue	Cash	554 <sup>(1)</sup>	10	1353.60	14,679

Date of Allotment / Transfer	Nature of Transaction	Consideration	No. of Shares	F.V (₹)	Issue / Transfer Price (₹)	Cumulative no. of Shares
May 06, 2016	Right Issue	Cash	369 <sup>(1)</sup>	10	1353.60	15,048
May 02, 2016	Transfer	Cash	862 <sup>(1)</sup>	10	10	15,910
January 01, 2017	Transfer (Gift)	Other than Cash	(2,075)	10	NA	13,835
November 13, 2019	Bonus Allotment	Other than Cash	61,165 <sup>(1)</sup>	10	NA	1,79,855
			1,04,855			
<b>Mrs. Rachel Kattukaran</b>						
March 28, 2014	Right Issue	Cash	2,757	10	631.70	2,757
June 02, 2014	Right Issue	Cash	505	10	631.70	5,369
			2,107 <sup>(1)</sup>			
December 01, 2014	Right Issue	Cash	4,750 <sup>(1)</sup>	10	631.70	10,119
March 27, 2015	Right Issue	Cash	1,187 <sup>(1)</sup>	10	631.70	11,306
March 29, 2015	Transfer	Cash	(1,187)	10	10	10,119
July 01, 2015	Right Issue	Cash	1,754 <sup>(1)</sup>	10	631.70	11,873
October 8, 2015	Right Issue	Cash	1,292 <sup>(1)</sup>	10	1353.60	13,165
December 30, 2015	Right Issue	Cash	960 <sup>(1)</sup>	10	1353.60	14,125
March 03, 2016	Right Issue	Cash	554 <sup>(1)</sup>	10	1353.60	14,679
May 06, 2016	Right Issue	Cash	369 <sup>(1)</sup>	10	1353.60	15,048
May 02, 2016	Transfer	Cash	862 <sup>(1)</sup>	10	10	15,910
January 01, 2017	Transfer (Gift)	Other than Cash	(2,075)	10	NA	13,835
November 13, 2019	Bonus Allotment	Other than Cash	61,165 <sup>(1)</sup>	10	NA	1,79,855
			1,04,855			

<sup>(1)</sup> Out of total holding of Mr. Rajkumar Elango, Mr. Venu Gopal Nambiar and Mrs. Rachel Kattukaran, 2,67,000 Equity Shares in aggregation are offered for sale through this Draft Prospectus.

10. Our Company has Twenty Six (26) shareholders, as on the Date of this Draft Prospectus.

#### 11. Pre-Issue and Post Issue Shareholding of our Promoters and Promoter' Group:

i. Set forth is the shareholding of our Promoters and Promoter Group before and after the proposed Issue:

Category of Promoter	Pre Issue		Post Issue	
	No. of Shares	% of Pre-Issue Paid Up Capital	No. of Shares	% of Post- Issue Paid Up Capital
<b>1. Promoters</b>				
Mrs. Deepthi Anand	18,79,904	43.92%	18,79,904	33.66%
Mr. Manish Turakhia	2,38,329	5.57%	2,38,329	4.27%
<b>2. Promoter Group (as defined by SEBI (ICDR) Regulations)</b>				
Veer Value Ventures LLP	5,85,000	13.67%	5,85,000	10.47%
Chauhan Ventures LLP	2,21,000	5.16%	2,21,000	3.96%
Jash Ventures (represented by Partner Mr.	1,99,550	4.66%	1,99,550	3.57%

Category of Promoter	Pre Issue		Post Issue	
	No. of Shares	% of Pre-Issue Paid Up Capital	No. of Shares	% of Post- Issue Paid Up Capital
Manish Turakhia)				
Arham Ventures (represented by Partner Mr. Manish Turakhia)	1,08,329	2.53%	1,08,329	1.94%
VishvaVamaVentures (represented by Partner Mr. Manish Turakhia)	97,500	2.28%	97,500	1.75%
Simran Ventures (represented by Partner Mr. Manish Turakhia)	65,000	1.52%	65,000	1.16%
H M Arvindkumar Ventures LLP	54,171	1.27%	54,171	0.97%
Sanghavi Ventures (represented by Partner Mr. Manish Turakhia)	54,171	1.27%	54,171	0.97%
Ample Ventures (represented by Partner Mr. Manish Turakhia)	43,329	1.01%	43,329	0.78%
Ashit Alapi Ventures (represented by Partner Mr. Manish Turakhia)	21,671	0.51%	21,671	0.39%
<b>Total Promoters &amp; Promoter Group Holding</b>	<b>35,13,783</b>	<b>82.09%</b>	<b>35,13,783</b>	<b>62.91%</b>
<b>Total Paid up Capital</b>	<b>42,80,341</b>	<b>100.00%</b>	<b>55,85,341</b>	<b>100.00%</b>

- ii. None of the Promoters, members of the Promoter Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of this Draft Prospectus.
- iii. None of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Draft Prospectus.

## 12. Promoter's Contribution and other Lock-In details:

### i. Details of Promoter's Contribution locked-in for 3 years:

Pursuant to the Regulation 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital held by our Promoters shall be considered as promoter's contribution ("Promoter's Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of the Promoter's Equity Shares proposed to be locked-in for a period of three years are as follows:

Name of Promoters	No. of Shares locked in <sup>(1)</sup>	As a % of Post Issue Share Capital
Mrs. Deepthi Anand	11,34,000	20.30%
<b>Total</b>	<b>11,34,000</b>	<b>20.30%</b>

<sup>(1)</sup> For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired, please refer Note no. 9 under "Notes to Capital Structure" on page no. 50 of this Draft Prospectus.

We confirm that in compliance with regulation 237 of SEBI ICDR Regulations, the minimum Promoters contribution of 20% as shown above which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.

- Equity Shares acquired by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being issued to public in the Issue.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- The Equity Shares held by the Promoters and offered for minimum 20% Promoter's Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoter's Contribution subject to lock-in.

**We further confirm that our Promoter's Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds.**

*ii. Details of Shares locked-in for one year*

- a. Pursuant to Regulation 238(b) of the SEBI (ICDR) Regulations, in addition to the Promoter's Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue, other than the Equity Shares allotted and subscribed pursuant to the Offer for Sale.
  - b. Pursuant to Regulation 242 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Draft Prospectus, none of the Equity Shares held by our Promoters have been pledged to any person, including banks and financial institutions.
  - c. Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 238 of the SEBI (ICDR) Regulations, may be transferred to and amongst our Promoters / Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
  - d. Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
13. Neither the Company, nor its Promoters, Directors or the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
  14. None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the chapter titled "*Our Management*" beginning on page 111 of this Draft Prospectus.
  15. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "*Basis of Allotment*" in the chapter titled "*Issue Procedure*" beginning on 192 of this Draft Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.
  16. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

17. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
18. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines
19. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.
20. As on date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
21. As on date of this Draft Prospectus, the entire issued share capital of our Company is fully paid-up. The Equity Shares issued through this Public Issue will be fully paid up.
22. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
23. Since the entire application money is being called on application, all successful applications, shall be issued fully paid up shares only. Also, as on the date of this Draft Prospectus the entire pre-issue share capital of the Company has been made fully paid up.
24. We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in this Draft Prospectus.
25. As on date of this Draft Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
26. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of the Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
27. Our Promoters and Promoter Group will not participate in the Issue.
28. The Lead Manager and its associates do not directly or indirectly hold any shares of the Company
29. Our Company has not revalued its assets and we do not have any revaluation reserves till date.
30. Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

## OBJECTS OF THE ISSUE

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

### Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale. The Selling Shareholder will be entitled to their respective portion of the proceeds of the Offer for Sale, net of their respective portion of the Issue related expenses.

### Fresh Issue

Our Company proposes to utilize the Net Proceeds from the Fresh Issue towards funding the following objects (collectively, referred to herein as the “Objects”):

- 1) Construction of New Corporate Office and Headquarters Building called “Valencia House” at Anjanapura, Bengaluru
- 2) Purchase of Key Lab Equipments for expanding R&D facilities
- 3) Sales, Marketing and Distribution Expenses for increasing our brand value and improved geographical reach.
- 4) General corporate purposes

Further, our Company expects that the listing of the Equity Shares will enhance our visibility and our brand image among our existing and potential stakeholders.

### Net Issue Proceeds

The details of the proceeds of the Issue are set out in the following table:

Particulars	( ₹ in lakhs) Amount
Gross Proceeds to be raised through the Fresh Issue	600.30
Less: Company’s share of Issue related Expenses <sup>(1)</sup>	73.49
<b>Net Proceeds</b>	<b>526.81</b>

<sup>(1)</sup> Except for the Regulatory related expenses, which will be borne by our Company, all other expenses relating to the Issue will be borne by our Company and the Selling Shareholders in proportion to the Equity Shares contributed to the Issue. The Issue expenses are estimated expenses and subject to change.

### Utilization of Net Proceeds and Schedule of Implementation and Deployment

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below. As on the date of this Draft Prospectus, our Company has not deployed any funds towards the Objects of the Issue.

Sr. No.	Particulars	Amt. to be funded from the Net Proceeds	Amt. to be utilized in FY 2019-20
1.	Construction of New Corporate Office and Headquarters Building called “Valencia House” at Anjanapura, Bengaluru.	200.00	200.00
2.	Purchase of Key Lab Equipments for expanding R&D facilities	52.40	52.40
3.	Sales, Marketing and Distribution Expenses for increasing our brand value and improved geographical reach	184.65	184.65
4.	General Corporate Purposes	89.76	89.76
<b>Totals</b>		<b>526.81</b>	<b>526.81</b>



## Means of Finance

The entire fund requirements are to be financed from the Net Fresh Issue Proceeds, and there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable or in case of cost overruns, we expect that the shortfall will be met from internal accruals and/or entering into funding arrangements as required. Any variation in the objects of the Issue shall be undertaken in accordance with the terms of the Companies Act and the rules framed there under.

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 Unsecured / Bridge Loans and in such case the Funds raised shall be utilized towards repayment of Unsecured Loans or recouping of Internal Accruals. However, we confirm that except as mentioned below no unsecured / bridge financing has been availed as on date for the above mentioned objects, which is subject to being repaid from the Issue Proceeds.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please see the section titled “Risk Factors” beginning on page no. 19 of this Draft Prospectus.

## DETAILS OF THE FUND REQUIREMENTS

### 1) Construction of New Corporate Office and Headquarters Building called “Valencia House” at Anjanapura, Bengaluru

Our company operates from rented premises for registered office as well as corporate office purposes. In order to improve the asset quality of our balance sheet as well as bring in long term stability of the company we have recently acquired a land parcel at Anjanapura, Bengaluru Development Authority Plots, Bengaluru. We intend to construct a Corporate Office and Headquarters Building called “Valencia House”. We have estimated an amount of Rs. 200.00 lakhs towards this initiative. The same is based on internal management estimates as well as through an estimate received from M/s. Studio 312, Architects and Master Planners. The details of the workings for said estimate are as shown below:

(₹ in lakhs)

Sr. No.	Description	Unit	Built up area in sq. m.	Rate per Unit	Amount
	<b>Part A Civil works</b>				
1.	Including all floors (Stilt+3)	Sq. mtr.	860.30	19,500	167.76
	<b>Total of Civil works</b>				<b>167.76</b>
	<b>Part B Services works</b>				
2.	Internal and External LT electrical works- 12.00%				20.13
3.	Internal Water supply and Sanitary works- 7.00%				11.74
	<b>Total of Services works</b>				<b>31.87</b>
	<b>Total of Part A+ B</b>				<b>199.63</b>
	<b>Other Incidental Costs</b>				<b>0.37</b>
	<b>Grand Total</b>				<b>200.00</b>

### 2) Purchase of Key Lab Equipments for expanding R&D facilities

Being an applied biotech startup we believe that our core competencies as well as future growth both would rely heavily on levels of innovation and our superior product quality. In order to stay ahead of the growth curve and ensure high quality

of products we intend to setup a dedicated R&D Lab at Valencia House which would be equipped with state of the art equipments and facilities. This R&D Lab would also build in existing R&D set up and became the main R&D facility with old and new equipments. We have estimated an amount of Rs. 52.40 lakhs towards this initiative. The same is based on quotation received from M/s. Techclone Machinerics dated August 16, 2019. The details of the workings for said estimated costs are as shown below:

Sr. No.	Equipment Name	Quantity	Specifications	Quote (in Rs.)
<b>Analytical</b>				
1	Vortex Mixer	1		10,000
2	Hot Plate with Magnetic Stirrer	1	Magnetic Stirrer	15,000
3	Dessicator – Table Top	1	Glass of PP make	5,000
4	Ring water bath	1	Ambient to 100° C	10,000
5	Frost free refrigerator / Deep Freezer 500 Ltr.	1	With inbuilt temp control	35,000
6	Analytical balance (200 gram)	1	0.0001 to 220 gram	16,000
7	pH meter	1	With quartz electrode	18,000
8	Hot Air Oven	1	Ambient to 100° C	20,000
9	Bulk Density Apparatus	1	1 to 9999 (Dip Switch Set)	68,000
10	Micropipettes	2		10,000
11	Moisture analyser – IR	1		1,50,000
12	Stability Chamber	1		5,00,000
13	UV / VIS Spectrophotometer	1		2,00,000
<b>Microbiological</b>				
14	UV chamber	1		1,50,000
15	Rapid Micro testing Kit with Incubator	1	Lumino Meter	1,80,000
<b>Beverage Pilot Plant</b>				
16	Sample preparation end isolated cabinets, glass wares and sample storage area			80,000
17	Beverage Processing equipments setup	1		27,60,000
18	Rinsing, filling & capping machine	1		5,00,000
19	Adhesive labelling Machine	1		50,000
<b>Powder Blending Pilot Setup</b>				
20	Sachet Sealing machine	Available	(Existing)	-
21	Lab Scale Blender (05 to 20 Kg)	1	SS316L	3,00,000
22	Lab Scale Shifter – Lab Model	1	SS316L with sieves	1,50,000
23	Test Sieves	5	Set	5,000
<b>Total Cost</b>				<b>52,40,000</b>
<b>Taxes applicable GST 18% Extra</b>				

*Note: As on the date of this Draft Prospectus none of the above mentioned equipments are ordered yet. Further none of the above are proposed to be purchased as second hand equipments.*

### 3) Sales, Marketing and Distribution Expenses for increasing our brand value and improved geographical reach.

Our Company is an applied biotechnology startup operating in the niche field of researching, developing & marketing high quality, best-in-class nutraceutical products i.e. multinutrient functional beverages to prevent and/ or manage lifestyle related diseases. Our Company is bridging the increasing gap between demand & supply for healthy products with its healthy, nutritious & flavoursome drinks – ‘Bounce Superdrinks’ & ‘VitaMe Enriched Beverage’. We have been working in a fiercely manner since last 4 years to fully evolve a well-researched product and develop a niche brand within this nascent but high potential market.

Recognizing that the nutraceutical industry in India is not widely recognized industry as not many players exist, marketing our brands is one of our key focus areas. The primary aim of our marketing campaigns is to build brand awareness and achieve recall for our products and brands. Marketing campaigns are handled directly by the company some of the marketing strategies include attending college fests, distribution of free samples in core market areas, advertisement

through hoardings, pamphlets, posters and so on. A significant amount of marketing is also done via digital and social media channels.

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

By and large, we focus largely on customer-level marketing, including communications through digital & social media marketing, engagement of brand ambassadors & influencers, ample sampling and activations at points-of-sale, special occasion-based marketing, and implementing promotional activities to strengthen a strong & consistent off take of our products. We now intend to increase our marketing and sales budget and also increase our geographical reach from the funds raised by the fresh issue proceeds.

To achieve above mentioned objectives we require funds towards payment of expenses to be incurred for the sales, marketing and distribution initiatives of our company. The requirements of such funds are as entailed below:

Sr. No.	Particulars	Amt. (₹ in lakhs)
3.1	Advertising / marketing / Sampling - budget	112.80
3.2	Cost of Sales team	71.85
<b>Totals</b>		<b>184.65</b>

### 3.1 Advertising / marketing / Sampling - budget

Our management has estimated an amount of Rs. 112.80 lakhs to be expensed towards advertising, marketing and sampling. Based on discussions with PR agency and other internal management sources we estimated these costs as explained below:

(₹ in lakhs)

Region / Costing Parameters	OOH Campaign	Radio Campaign	Sampling and Activations	Digital & Social Media	Other Incidental Expenses	Total
<b>Karnataka</b>						
Price per unit	0.50	-	0.31			
Number of units	15	-	15			
Cost	7.50	-	4.65	2.00	5.00	<b>19.15</b>
<b>Tamil Nadu</b>						
Price per unit	0.50	-	0.31			
Number of units	15	-	15			
Cost	7.50	-	4.65	2.00	5.00	<b>19.15</b>
<b>Andhra Pradesh &amp; Telengana</b>						
Price per unit	0.50	-	0.31			
Number of units	15	-	15			
Cost	7.50	-	4.65	2.00	5.00	<b>19.15</b>
<b>Goa</b>						
Price per unit	0.50	-	0.31			
Number of units	5	-	15			
Cost	2.50	-	4.65	2.00	5.00	<b>9.05</b>
<b>Maharashtra</b>						

Region / Costing Parameters	OOH Campaign	Radio Campaign	Sampling and Activations	Digital & Social Media	Other Incidental Expenses	Total
Price per unit	0.50	-	0.31			
Number of units	15	-	15			
Cost	7.50	-	4.65	2.00	5.00	<b>17.15</b>
<b>Gujarat</b>						
Price per unit	0.50	0.40	0.31			
Number of units	15	30	15			
Cost	7.50	12.00	4.65	2.00	5.00	<b>29.15</b>
<b>Total</b>						<b>112.80</b>

### 3.2 Advertising / marketing / Sampling - budget

As on June 30, 2019, we have been maintaining a sales team of over 17 persons on our pay roll. We believe that we will have to invest further in sales team during the above mentioned Media Campaign. The costs of such sales team is proposed to be funded from the Net Proceeds of the Issue. We have estimated that the IPO proceeds would be available to the company before end of November and hence we have estimated costs thereafter for the funding requirements as entailed below:

(₹ in lakhs)

Particulars	Dec-19	Jan-20	Feb-20	Mar-20	Total
No. of ASM Required	4	7	9	9	
No. of SO Required	12	15	19	22	
No. of SE/ ISR Required	26	20	29	31	
ASM Salary including ta/da, mobile	68,400	68,400	68,400	68,400	
SO Salary including ta/da, mobile	35,760	35,760	35,760	35,760	
SE/ ISR Salary including ta/da, mobile	25,920	25,920	25,920	25,920	
<b>Total</b>	<b>13.96</b>	<b>15.28</b>	<b>20.35</b>	<b>22.26</b>	<b>71.85</b>

#### 4) General Corporate Purposes

We propose to deploy ₹ 89.76 lakhs, aggregating to 17.03% of the Net Proceeds of the Fresh Issue towards general corporate purposes, including but not restricted to for our working capital requirements, bank deposits, deposits for renting or otherwise acquiring business premises, margin money, acquiring business assets, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, starting new products or services, obtaining new or enabling accreditations and licenses, investment in business venture, strategic alignment, strategic initiatives as per the objects of the Company, expansion into new geographies, brand building exercises, strengthening of our marketing capabilities, implementing enterprise resource planning tools and methodology, in our operations and other project related investments and commitments and execution capabilities in order to strengthen our operations.

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

We confirm that any Issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

## ISSUE RELATED EXPENSES

The total estimated Issue Expenses are ₹ 87.50 lakhs, which is 12.10 % of the total Issue Size. The details of the Issue Expenses are tabulated below:

Sr. No.	Particulars	Amount (₹ in lakhs)	% of Total Expenses	% of Total Issue Size
1.	Issue Management fees including Merchant Banking fees and reimbursements of Market Making fees, Underwriting fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses	76.50	87.43%	10.58%
2.	Brokerage and selling commission*	1.00	1.14%	0.14%
3.	Printing & Stationery, Distribution, Postage, etc.	5.00	5.71%	0.69%
4.	Stock Exchange Fees, Regulatory and other Expenses**	5.00	5.71%	0.69%
	<b>Total</b>	<b>87.50</b>	<b>100%</b>	<b>12.10%</b>

*\*The SCSBs and other intermediaries will be entitled to a commission of ₹ 10/- per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them. The SCSBs would be entitled to processing fees of ₹ 10/- per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs. Further the SCSBs and other intermediaries will be entitled to selling commission of 0.01% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them. The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.*

*\*\*Except for the Listing Fees, ROC Charges & other regulatory expenses, which will be borne by our Company, all other expenses relating to the Issue as mentioned above will be borne by the Company and Selling Shareholder in proportion to the Equity Shares contributed to the Issue. The Issue expenses are estimated expenses and subject to change.*

### Appraisal and Bridge Loans

The Objects have not been appraised by any banks, financial institutions or agency. Further, our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Prospectus, which are proposed to be repaid from the Net Proceeds. However if the company avails any bridge loans from the date of the Draft Prospectus upto the date of the IPO; the same shall be refunded from the IPO proceeds and related details will be updated in the Prospectus or likewise.

### Year wise Deployment of Funds / Schedule of Implementation

As on the date of this Draft Prospectus, no funds have been deployed on these objects. The entire net proceeds of Fresh Issue are proposed to be deployed in the Financial Year 19-20.

### Monitoring of Utilization of Funds

Since the proceeds from the Fresh Issue do not exceed ₹ 10,000 lakhs, in terms of Regulation 262 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee will monitor the utilization of the proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to the SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilized for purposes other than

those stated in this Draft Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the objects of the Issue as stated above.

### **Interim Use of Funds**

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act. Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets.

### **Working Capital Requirement**

Our Company currently funds its working capital needs through its internal accruals and they intend to continue to do so in the future. Hence no amount is proposed to be utilized for Working Capital from the Net Proceeds of this Issue.

### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Regional language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoters or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

### **Other Confirmations / Payment to Promoters and Promoter's Group from the IPO Proceeds**

Except as mentioned under the section 'Details of Funds Requirement' in this Chapter above, no part of the Net Proceeds will be paid by our Company as consideration to our Promoters, our board of Directors, our Key Management Personnel or Group Companies except in the normal course of business in compliance with applicable law.

## BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹ 46 /- per Equity Shares and is 4.6 times of the face value. Investors should read the following basis with the sections titled “Risk Factors” and “Financial Information” and the chapter titled “Our Business” beginning on page nos. 19, 134 and 85 respectively, of this Draft Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of Our Company could decline due to these risk factors and you may lose all or part of your investments.

### Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for the Issue Price are:

- Experienced management team
- No dependency for Product Development and Formulations
- Understanding consumer preferences and product development
- Outsourced Model for manufacturing and distribution for our products
- Long Shelf life compared to Peers

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please see “Our Business - Our Strengths” on page no. 86 of this Draft Prospectus.

### Quantitative Factors

The information presented in this section for the three month period ended June 30, 2019, and for the Fiscal ended March 31, 2019, March 31, 2018 and March 31, 2017 is derived from our Restated Financial Statements. For more details on financial information, investors please refer the section titled “Financial Information” on page no. 134 of this Draft Prospectus.

Investors should evaluate our Company taking into consideration its niche business segment and other qualitative factors in addition to the quantitative factors. Some of the quantitative factors which may form the basis for computing the price are as follows:

#### 1) Basic and Diluted Earnings / (Loss) Per Share (“EPS”)

Year ended March 31,	Basic & Diluted	
	EPS (in ₹) <sup>(1)</sup>	Weights
2019	(9.74)	3
2018	(4.36)	2
2017	(6.05)	1
<b>Weighted Average</b>		<b>(7.33)</b>
For June 30, 2019 <sup>(1)(2)</sup>		(2.54)

<sup>(1)</sup> Based on Restated Financials of our Company. Weighted Average no. of equity shares are calculated after giving effect for bonus issue of 39,51,084 shares made on November 13, 2019 in the ratio of 12:1.

<sup>(2)</sup> Not Annualised.

#### Notes:

a. Basic EPS has been calculated as per the following formula:

$$\text{Basic EPS (₹)} = \frac{\text{Net profit / (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year /period}}$$

b. Diluted EPS has been calculated as per the following formula:



$$\text{Diluted EPS (₹)} = \frac{\text{Net profit / (loss) as restated, attributable to Equity Shareholders}}{\text{Diluted Weighted average number of Equity Shares outstanding during the year / period}}$$

- c. Basic and Diluted EPS calculations are in accordance with Accounting Standard 20 “Earnings per Share”, notified under section 133 of Companies Act, 2013 read together along with paragraph 7 of Companies (Accounting) Rules, 2014
- d. The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Financial Statements as appearing in “Annexure IV & V - Financial Information” beginning on page no. 134 Draft Prospectus.

**2) Price Earnings Ratio (“P/E”) in relation to the Price of ₹ 46 per share of ₹ 10 each**

Particulars	P/E
P/E ratio based on Basic and Diluted EPS as at June 30, 2019	N.A.
P/E ratio based on Basic and Diluted EPS as at March 31, 2019	N.A.
P/E ratio based on Weighted Average EPS	N.A.

*Note: Since the Basic and Diluted EPS for the period ended June 30, 2019 and Fiscal Year ended March 31, 2019 and the Weighted average EPS is negative, these figures are not computable.*

*We are an applied bio-technology based company operating in the niche field of researching, developing & marketing high quality nutraceutical products i.e. multivitamin functional beverages. Since our Company has no industry segment which is strictly comparable to us, the Industry P/E is not available.*

**3) Return on Net worth (RoNW)**

Year ended March 31,	RoNW (%)	Weight
2019	142.81%	3
2018	(104.06)%	2
2017	(327.88)%	1
<b>Weighted Average</b>		<b>(17.93)%</b>
For June 30, 2019 <sup>(1)</sup>		(122.63)%

<sup>(1)</sup> Not Annualised.

**Note:** Return on Net worth has been calculated as per the following formula:

$$\text{RoNW} = \frac{\text{Net profit / loss after tax, as restated}}{\text{Net worth excluding preference share capital and revaluation reserve}}$$

**4) Minimum Return on Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2019**

Particulars	Minimum RoNW (%) at the Issue Price
To maintain Pre-Issue basic & diluted EPS for the year ended June 30, 2019	N.A.
To maintain Pre-Issue basic & diluted EPS for the year ended March 31, 2019	N.A.

**Note:**

- Since the Basic and Diluted EPS for the period ended June 30, 2019 and Fiscal Year ended March 31, 2019 is negative, this figure cannot be computed.
- Net worth is the sum of the share capital, the reserves and the surplus less miscellaneous expenditure not written off.

**5) Net Asset Value (NAV)**

Financial Year	NAV (₹)
NAV as at June 30, 2019 <sup>(1)</sup>	25.61
NAV as at March 31, 2019	23.63
NAV after Issue	15.94
Issue Price (₹)	46

<sup>(1)</sup> As on June 30, 2019 the Company's paid up equity capital consist of 2,93,407 number of fully paid up equity shares of face value of ₹ 10/- each. Our Company has after June 30, 2019 allotted an aggregate of 35,850 equity shares of ₹ 10 each as preferential allotment and 39,51,084 Equity shares of ₹ 10/- each as bonus issue. Considering the above allotments, the pre-issue NAV as on date of this Draft Prospectus should be read as ₹ 6.78 per share, after adjusting for these events.

**Note:** Net Asset Value has been calculated as per the following formula:

$$\text{NAV} = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares at the end of the year}}$$

**6) Comparison with Industry Peers**

We believe that there is no other listed company which is specifically comparable to us w.r.t. to our business model, size and financials.

- 7) The Company in consultation with the Lead Manager believes that the Issue price of ₹ 46 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the Financial Statements included in this Draft Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is 4.6 times of the face value i.e. ₹ 46 per share.

---

## STATEMENT OF SPECIAL TAX BENEFIT

To  
**The Board of Directors,**  
**Valencia Nutrition Limited**  
D. No. 134, 6th Main, 1st Block  
Banashankari, 3rd stage, Bangalore-560085

Dear Sirs,

**Sub: Statement of Possible Special Tax Benefits available to Valencia Nutrition Limited and its shareholders prepared in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI Regulations”) and the Companies Act, 2013, as amended (the “Act”).**

We hereby report that the accompanying Statement states the possible special tax benefits available to the Company and shareholders of the Company (hereinafter referred to as “**the Statement**”) under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2019 presently in force in India (together referred to as the “**Direct Tax Laws**”), the Goods and Service Tax laws & Customs Act, 1962 (read with rules, circulars, notifications) presently in force in India (together referred to as the “**Indirect Tax Laws**”).

These possible special tax benefits are dependent on the Company and / or the Company’s shareholders fulfilling the conditions prescribed under relevant Direct Tax Laws, Indirect Tax Laws and other laws. Hence, the ability of the Company or the Company’s shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the Company’s shareholders may or may not choose to fulfil. The Company does not have any Material Subsidiary as on date of this Draft Prospectus.

The benefits discussed in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits available to the Company and the Company’s shareholders. The Statement is neither designed nor intended to be a substitute for professional tax advice and 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 proposed initial public offering of equity shares of the Company.

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

- a) the Company or its shareholders will continue to obtain these possible special tax benefits in future; or
- b) the conditions prescribed for availing the possible special tax benefits, where applicable, have been/would be met with;  
and

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

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (“**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We hereby give consent to include this Statement in the Draft Prospectus, Prospectus and Prospectus in connection with the proposed initial public offering of the Company.

Yours faithfully,

**For Balakrishna and Co,**  
**Chartered Accountants**  
(Firm Registration No.004835S)

**CA Kumar Prasad B.E**  
**Partner**  
Membership No: 204844

Place: Bengaluru  
Date: November 16, 2019

**UDIN: 19204844AAAAJJ8935**

**Annexure**

**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND COMPANY'S SHAREHOLDERS**

Outlined below are the possible special tax benefits available to **Valencia Nutrition Limited ("the Company")** and to its Shareholders under the direct and indirect Tax Laws in force in India (i.e. applicable for the Financial Year 2018 – 19 and period ending June 2019 relevant to the Assessment Year 2019 – 20 and Assessment Year 2020-21).

**A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY**

**1. Direct Tax**

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

**2. Indirect Tax**

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

**B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY**

**1. Direct Tax**

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

**2. Indirect Tax**

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

---

## SECTION V – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. 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 and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Information” and related notes beginning on page 19 and 134 of this Draft Prospectus.*

#### Global Economic Overview

Global growth is projected at 3.2 percent for 2019, improving to 3.5 percent in 2020. On the trade front, the forecast reflects the May 2019 increase of US tariffs on \$200 billion of Chinese exports from 10 percent to 25 percent, and retaliation by China. The downgrades to the growth forecast for China and emerging Asia are broadly consistent with the simulated impact of intensifying trade tensions and associated confidence effects.

Against a difficult backdrop that included intensified US-China trade and technology tensions as well as prolonged uncertainty on Brexit, momentum in global activity remained soft in the first half of 2019. There were positive surprises to growth in advanced economies, but weaker-than-expected activity in emerging market and developing economies.

Growth was better than expected in the United States and Japan, and one-off factors that had hurt growth in the euro area in 2018 (notably, adjustments to new auto emissions standards) appeared to fade as anticipated. Among emerging market and developing economies, first quarter GDP in China was stronger than forecast, but indicators for the second quarter suggest a weakening of activity. Elsewhere in emerging Asia, as well as in Latin America, activity has disappointed. Despite the upside surprises in headline GDP for some countries, data more broadly paint a picture of subdued global final demand, notably in fixed investment. Inventory accumulation of unsold goods lifted first quarter GDP in the United States and the United Kingdom, while soft imports boosted output in China and Japan.

Emerging and developing Asia is expected to grow at 6.2 percent in 2019–20. The forecast is 0.1 percentage point lower than in the April WEO for both years, largely reflecting the impact of tariffs on trade and investment. In China, the negative effects of escalating tariffs and weakening external demand have added pressure to an economy already in the midst of a structural slowdown and needed regulatory strengthening to rein in high dependence on debt. With policy stimulus expected to support activity in the face of the adverse external shock, growth is forecast at 6.2 percent in 2019 and 6.0 percent in 2020—0.1 percentage point lower each year relative to the April WEO projection. India’s economy is set to grow at 7.0 percent in 2019, picking up to 7.2 percent in 2020. The downward revision of 0.3 percentage point for both years reflects a weaker-than-expected outlook for domestic demand.

Across emerging market and developing economies, the recent softening of inflation gives central banks the option of becoming accommodative, especially where output is below potential and inflation expectations are anchored. Debt has increased rapidly across many economies. Fiscal policy should therefore focus on containing debt while prioritizing needed infrastructure and social spending over recurrent expenditure and poorly targeted subsidies. This is particularly important in low-income developing economies to help them advance toward the United Nations Sustainable Development Goals. Macroeprudential policies should ensure adequate capital and liquidity buffers to guard against disruptive shifts in global portfolios. Efforts to minimize balance sheet currency and maturity mismatches remain vital at a time when financial sentiment can rapidly switch to risk-off mode and will also ensure that these vulnerabilities do not hinder the essential buffering role of flexible exchange rates.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2019/07/18/WEOupdateJuly2019>)

---

## **Indian Economy Overview**

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves were US\$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

**(Source: <https://www.ibef.org/economy/indian-economy-overview>)**

### **Facts about Indian Economy:**

- The Indian economy is expected to grow 6.8 per cent year-on-year (at constant 2011-12 prices) in FY 2018-19, as per Second Advance Estimates of Gross Domestic Product by Central Statistics Office (CSO).
- Foreign direct investment (FDI) equity inflows stood at US\$ 44.36 billion between April-March 2019.
- India's foreign exchange reserves were US\$ 419.99 billion in the week up to May 31, 2019, as compared to US\$ 417.99 billion.
- Mutual Funds asset base stood at Rs 24.78 trillion (US\$ 354.56 billion) at end of April 2019 as against Rs 23.80 trillion (US\$ 340.34 billion) at the end of March 2019.
- India's Index of Industrial Production (IIP) lowered by 0.1 per cent year-on-year in March 2019, as against a rise of 1.4 per cent year-on-year in February 2019. The cumulative IIP growth for April 2018-March 2019 was 3.6 per cent over the same period in 2017-18.
- The eight key infrastructure sectors rose 2.6 per cent year-on-year in April 2019, with cement exhibiting the maximum growth of 15.7 per cent. The cumulative growth during 2018-2019 was 4.3 per cent.
- Domestic passenger vehicle sales increased 2.7 per cent year-on-year in 2018-19.
- India's current account deficit (CAD) was 2.6 per cent during April-December 2018. The current account deficit (CAD) for the financial year 2017-18 stood at 1.9 per cent of GDP.
- India's Wholesale Price Index (WPI) inflation index rose by 04 per cent to 120.0 in March 2019 compared to 119.5 in February 2019.
- India's Consumer Price Index (CPI) inflation rate rose to 2.92 per cent in April 2019 as compared to 2.86 per cent in March 2019.

**(Source: <https://www.ibef.org/economy/indiasnapshot/facts-about-indian-economy>)**

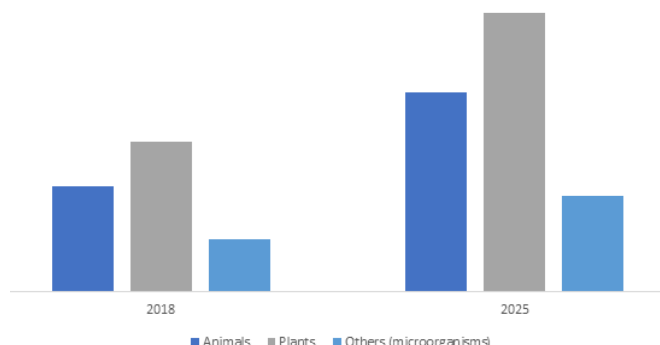
### **Global Food Biotechnology Market**

Food Biotechnology is focused on emerging developments and applications of modern genetics, enzymatic, metabolic and systems-based biochemical processes in food and food-related biological systems. The goal is to help produce and improve foods, food ingredients, and functional foods at the processing stage and beyond agricultural production, genetically modified plants are used to enhance taste, shelf life, nutrition and quality of food, genetically modified food is synthesized



using biotechnological tools. Global Food Biotechnology Market size was valued at over USD 23 billion in 2018 and is anticipated to witness over 10% CAGR up to 2025.

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



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

Strong growth in functional food & beverages and dietary supplements industry is resulting in increased competitiveness, thus propelling the food biotechnology market revenue. As per CCI, the global nutraceutical market including functional F&B and dietary supplements is projected to reach USD 241 billion in 2019, observing around 7% CAGR from 2014 to 2019. Factors such as robust expansion of food industry and low-cost biotech services particular in developing countries has escalated the adoption of services.

(Source: <https://www.gminsights.com/industry-analysis/food-biotechnology-market>)

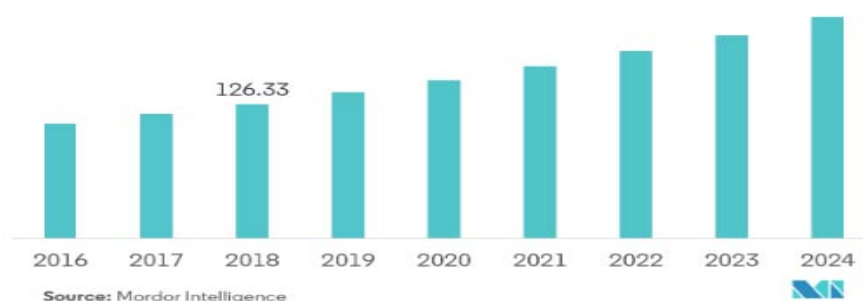
### Global Nutraceuticals Market

The nutraceuticals market is predicted to record revenue of USD 671.30 billion by 2024, registering a CAGR of 7.5% during the forecast period. Globally, nutraceuticals are gaining importance and are becoming a part of the consumer’s daily diet. The major reasons for this change have been the increasing prevalence of lifestyle diseases and people consciously taking preventive healthcare measures.

Developed markets, like the United States and Europe, are discovering the untapped segment of customized products based on health claims. Functional food is the largest shareholding category of the studied market, followed by functional beverage and dietary supplement.

Functional beverages improve hydration, prevent and help to address health conditions, aid athletic performance, and contribute to the nutritional well-being. Over the years, FF (fortified and functional) beverages have become specific and are tailored according to health benefits, gender, and age. This diversification, in conjunction with the increased distribution channels, continues to fuel the consumer demand. There is a growing demand for immunity drinks, which can be attributed to the consumers’ desire for products that build up their defenses. Energy drink is the largest segment in terms of revenue. However, RTD tea, coffee, and enhanced water are the fastest growing sub-segments among the other functional beverages.

Nutraceutical Market : Revenue in USD billion, Functional Beverages, 2016 - 2024



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

### Global Functional Food Market

The global functional foods market size is projected to reach USD 275.77 billion by 2025. It is anticipated to expand at a CAGR of 7.9% during the forecast period.

Increasing demand for nutritional and fortifying food additives is one of the major growth drivers. Functional ingredients such as probiotics and omega-3 fatty acids are extensively consumed through yogurt and fish oils to reduce the instances and risks associated with cardiovascular diseases while improving the quality of intestinal microflora. The increasing trend of consuming these products is expected to sustain throughout the forecast period, thereby favoring market growth.

Another important factor augmenting the demand is the rising consumer awareness regarding gut health. This is in reaction to reported cases of death owing to intestinal inflammation among other bowel disorders. Consumption of probiotics helps fight bad bacteria in such cases while aiding immunity in humans, thereby enhancing the gut health.

Among the various products available in the market, probiotic yogurts are the most widely consumed products with proven digestive health claims. However, the functional food industry also has its share of challenges. Among various challenges, issues associated with product availability coupled with claims regarding insufficient nutrients derived from various functional food types has been hindering growth of the functional foods market.

Asia Pacific emerged as the largest market in 2018 owing to a considerable rise in disposable income of consumers. The industry is also strengthened by the support offered by government bodies in various countries in this region. In this regard, to combat concerns associated with malnutrition, various government bodies have been increasingly focusing on food fortification. This development has also been influencing consumer behavior, thereby driving the regional demand for functional food products.

(Source: <https://www.businesswire.com/news/home/20190418005396/en/Functional-Foods---Global-Market-Size-Share>)

### Global Functional Beverage Market

The nutraceuticals market is predicted to record revenue of USD 671.30 billion by 2024, registering a CAGR of 7.5% during the forecast period.

- Globally, nutraceuticals are gaining importance and are becoming a part of the consumer's daily diet. The major reasons for this change have been the increasing prevalence of lifestyle diseases and people consciously taking preventive healthcare measures.
- Developed markets, like the United States and Europe, are discovering the untapped segment of customized products based on health claims. Functional food is the largest shareholding category of the studied market, followed by functional beverage and dietary supplement.

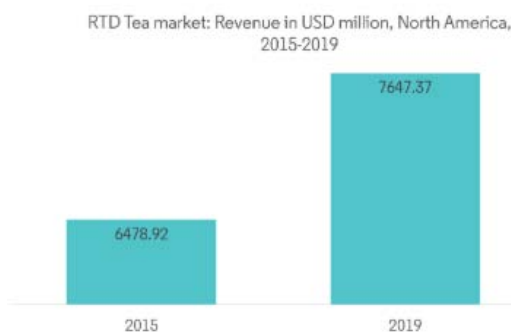
### Market Snapshot



### Key Market Trends of Global Functional Beverage Market

- **Growing Demand for Healthy Hydration**

Healthy hydration refers to the ability of functional beverages like RTD tea, to provide instant refreshment and mild stimulating benefits that are not considered detrimental, which is otherwise the case with coffee. Thus consumers are developing an affinity for functional beverages, due to its ready-to-drink version that offers enhanced convenience, thereby providing suitable, convenient, and healthy alternative to soft drinks. The organoleptic versatility associated with RTD tea makes it open to manufacturers to innovate alongside the healthy trends that have been resonating more prominently in the North American market. RTD tea and enhanced water are becoming popular among consumers all around the world, as a result of which the demand for functional beverages is growing.



- **Sales Growth of Energy Drink**

The energy drink market has grown phenomenally in recent years. These drinks are believed to enhance energy levels, physical alertness, and performance. Energy drinks outperformed the growth of conventional carbonated beverages a long time ago, as they are considered healthy substitutes to sugary carbonated drinks. Energy drinks originated in Japan in the 1960s, to help the working class work for long hours. The drinks then made their way to America in 1997 and are presently gaining traction in developing countries, like India and Brazil. The main constituents of energy drinks are vitamins, minerals, natural ingredients (caffeine, guarana, ginseng), amino acids, and antioxidants. About 31% of the 12-17 year-olds

and 34% of the 18-24 year-olds are reported to consume energy drinks regularly. Popular energy drinks include Monster Energy, Red Bull, and Rockstar.



• **Competitive Landscape**

Pepsi and Coke dominated the functional beverage market, whereas Monster beverage is witnessing a jump in its share in the market. The growth of a company in the functional beverage industry in the future depends on their distribution channel and innovation in their product list with lucrative packaging style. The major companies are located in all regions and the major countries of those regions. However, the players are expanding into countries they are currently not present in. The most active companies in the functional beverage market include PepsiCo, followed by Suntory Holdings, Fonterra, Nestle, Danone, Coco Cola, and Glanbia PLC.

**Major Players**

- 1 PepsiCo
- 2 The Coca-Cola Company
- 3 Monster Energy Company
- 4 Red Bull GmbH
- 5 Danone

\* Complete list of players covered available in the table of contents below

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

**Global Dietary Supplements Market**

Global dietary supplements market was valued at USD 101.38 billion in 2018, registering a CAGR of 6.9%, during the forecast period 2019-2024.

- The dietary supplements market is preliminarily driven by the paradigm shift toward preventive health management practices, amid rising healthcare costs and increasing burden of lifestyle diseases.
- Based on product type, the vitamin segment is steadily growing, whereas the fatty acid segment represents the fastest growing supplement segment due to the popularity of omega-3-based supplements. Asia-Pacific is the fastest growing region in the dietary supplements market, driven by major investment opportunities especially for herbal and Ayurveda extract-based products.

The Asia - Pacific dietary supplements market has witnessed rapid growth in both developed and developing countries. Demand for supplements in countries like India, China, and Japan has increased in recent years, owing to the considerable presence of the aging population in such developing countries. Supplements are most in demand, owing to their various health benefits. The dietary supplements market in the region is anticipated to offer major investment opportunities, especially for herbal and Ayurveda extract-based products. This is because of the ample availability of raw materials in India and Southeast Asian countries.

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

### Indian Food Biotechnology Market

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

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

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

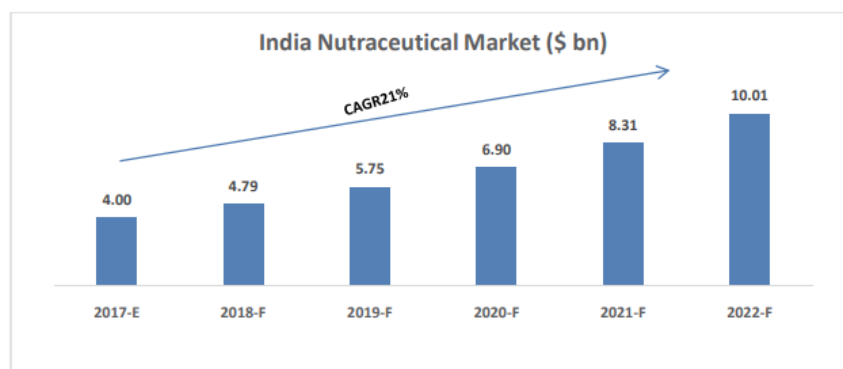
(Source: <https://nabi.res.in/cms?slug=food-and-nutritional-biotechnology>)

### Indian Nutraceuticals Market

India is experiencing a spate of lifestyle changes and a corresponding rise in lifestyle diseases, including diabetes, high blood pressure, obesity and cardiovascular problems. This has increased the demand for nutritional supplements among upper and middle-class consumers. Nutraceutical intake is growing in popularity as consumers look for products to boost energy and health. The demand for dietary supplements such as tablets, capsules, powders, liquids, soft caps and soft gels is increasing.

India’s age-old history of ayurvedic medicine means consumers are familiar with taking supplements to address health issues. Growing awareness of and increasing health concerns have led to a rise in the use of modern health supplements, especially natural health products.

The Indian nutraceuticals market was worth around US\$4 billion in 2017 [1] and is expected to grow at 21% CAGR to US\$10 billion by 2022. This will be fuelled by a significant 25% per annum growth in the functional beverages market, accompanied by similar potential growth in other segments. Dietary supplements account for more than 60% of this market.



(Source: India Nutraceutical Industry Report, Assocham)

A report by the Associated Chambers of Commerce and Industry of India (Assocham) found that vitamins and minerals account for about 40% of the Indian dietary supplements market. This is followed by herbal supplements (30%), probiotics (10%), omega-3 fatty acids (5%), and proteins, amino acids and other essential elements (15%).

The growing popularity of health supplements can be attributed to consumers' increased inclination towards health and nutrition. Indian consumers, predominantly the upper middle class, perceive nutraceuticals as alternatives to prescription drugs. Consumers are also considering the functional health benefits of these supplements for preventing disease. Furthermore, products for boosting energy and improving physical endurance and mental alertness are in high demand.

The health and food supplements market was dominated by a handful of foreign players such as Optimum Nutrition and Ultimate Nutrition, and a few local brands until four to five years ago. However, there has been growing interest from international brands like Holland and Barret, Amway Herbalife and GNC. Domestic brands such as Himalaya, Dabur and ON are offering a broad range of products.

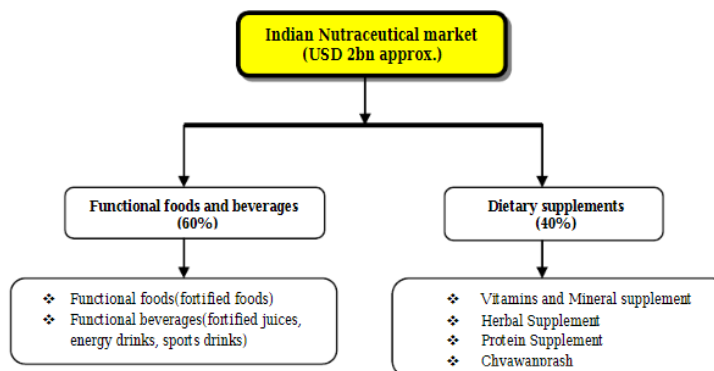
Countries exporting health supplements to India include the US, the UK and Australia. Products are mostly sold online through domestic or cross-border channels. Some of the popular categories include protein-based nutrition products, multivitamins, omega fatty acids, mass gainers, antioxidants and weight loss foods.

(Sources: <https://www.austrade.gov.au/australian/export/export-markets/countriesandconomies/india/industries/health-supplements-to-india>)

Indian nutraceuticals market is expected to grow at a compounded annual growth rate of 21 per cent and reach USD 10 billion by 2022 from USD 4 billion now, according to a report. The growth in nutraceuticals - food and drinks which have potential health benefits - is seen largely driven by the modern day's consumer lifestyle that is impacted by faster pace of life, taking a toll on health and wellness. It is also driven by the aging population estimated to reach USD 1 billion by 2020 in both developed and developing countries, said the report brought out today by MRSS India for industry body Assocham. Given the context, globally, too, the nutraceutical market is expected to reach USD 241 billion in 2019 from USD 172 billion in 2014.

(Sources: <https://www.ibef.org/news/nutraceuticals-market-may-grow-to-us10-bn-by-2022>)

**Indian Nutraceutical market:**



(Source: [https://www.researchgate.net/publication/326595254\\_NUTRACEUTICALS\\_-\\_A\\_REGULATORY\\_REVIEW](https://www.researchgate.net/publication/326595254_NUTRACEUTICALS_-_A_REGULATORY_REVIEW))

## Indian Dietary Supplements Market

The dietary supplements market in India is expected to grow CAGR of ~20% from 2015 to 2023. Vitamins and minerals occupies a larger share of the pie in the Indian dietary supplements market - 40% - followed by the herbal segment contributing 30%, proteins segment contributing 25% and other segments contributing around 5% of the total market. The vitamin and mineral supplements market comprises around 100 market players. The urban population in India that resides in metro cities predominantly consumes protein supplements. Cardiac, anti-diabetic, dermatology, vaccines, vitamins, minerals and nutrients are the fastest growing segments in the dietary supplements market. Vitamin supplements dominate the dietary supplements market in India. Amway India Enterprises Limited is the market leader in the vitamins and dietary supplements segment, with ~33.8% market share, followed by Pfizer Limited, Merk, Bayer, and Abbott. The probiotic drugs and dietary supplements segment is dominated by Dr. Reddy's Laboratories, Tablets India, and USV India.

### Key Growth Drivers

- Rapid digitization and increase in social media usage have increased awareness regarding nutrition care and improved access to vital information.
- Changing lifestyles is increasing the incidence of several diseases such as diabetes, blood pressure, obesity and cardiovascular problems, among others.
- In urban areas, higher income groups are the main consumers of dietary supplements and this will grow at a considerable rate. Moreover, rising health consciousness, rapid growth of the e-commerce market and rising per capita income are driving the growth of the dietary supplements market in India.

(Source: <https://www.businesswire.com/news/home/20180803005466/en/Indian-Market-Dietary-Supplements-2018-2023--CAGR>)

## Road Ahead of Functional Food Industry in the Indian market

India is one of the fastest growing economies in the world and ranks among the top ten most popular destinations for investment. Recent policy reforms have been designed to accelerate the pace of foreign investment and although entering the market is still a complex, multi-step process, the potential of the functional foods category is exciting.

China, Southeast Asia, and India are all rapidly growing functional food markets, each experiencing growth in double digits. According to Frost & Sullivan, the global nutraceuticals market stood at around US\$175 billion in 2016, of which India had approximately 2 per cent, worth \$3.0 billion. Growing at a CAGR of 17.1 per cent, the Indian market is expected to reach \$4 billion by 2020. Functional food in India is currently still in its infancy, catering mostly for sophisticated city dwellers but the young population of dual income households, with a rising income, and growing awareness of healthier eating, has led to strong growth in this sector.

The last decade has seen healthy growth in India for both food and beverage and pharmaceutical sectors. While some segments in food and drink grew at between 12-25% CAGR, pharmaceuticals grew at around 15%. Nutraceuticals is a big opportunity for India with its huge population and need for nutrition and well-being and will ride on the growth of food & beverage as young consumers become increasingly health conscious. It seems likely then, that the nutraceutical market in India is to experience exponential growth. As people age more complications set in, and with people taking less exercise, or focusing on workouts they are becoming more dependent on functional foods to support body balance, with an inevitable dependence on nutraceuticals.

(Source: <https://www.figlobal.com/india/visit/news-and-updates/potential-functional-foods-indian-market>)



## OUR BUSINESS

The information in this section is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations of our Company” and “Financial Information” on page 19, 156 and 134, respectively. The financial figures used in this section, unless otherwise stated, have been derived from our Company’s restated audited financial statements.

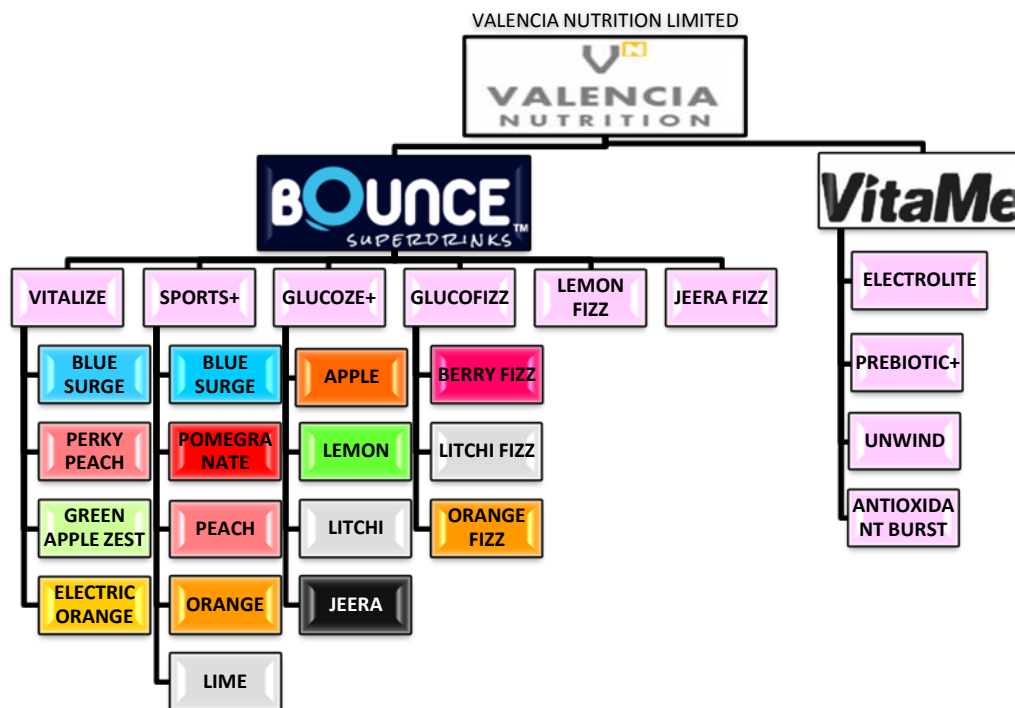
Unless the context otherwise requires, in relation to business operations, in this chapter of this Draft Prospectus, all references to “we”, “us”, “our” and “our Company” are to “Valencia Nutrition Limited”.

### OVERVIEW

Our Company is an applied biotechnology startup operating in the niche field of researching, developing & marketing high quality, best-in-class nutraceutical products i.e. multinutrient functional beverages to prevent and/or manage lifestyle related diseases.

The nutraceutical market is segmented into functional foods, functional beverages and dietary supplements. Globally, the nutraceutical market is predicted to record revenue of USD 671.30 billion by 2024, registering a CAGR of 7.5% during the forecast period (2019 - 2024). Globally, nutraceuticals are gaining importance and are becoming a part of the consumer’s daily diet. Looking at the current trends, the Indian nutraceutical market is forecasted to grow from a value of US\$ 2.8 Billion in 2015 to a value of US\$ 8.5 Billion by 2022. Functional beverage is an emerging segment of the Indian nutraceutical industry that was valued at US\$ 0.3 Billion in 2015. With wellness increasingly becoming a mainstream thought amongst the millennial population along with changing lifestyle preferences and people consciously taking preventive healthcare measures, nutraceuticals are expected to gain prolific growth in the years to come.

Our Company is bridging the increasing gap between demand & supply for healthy products with its healthy, nutritious & flavorful drinks – ‘Bounce Superdrinks’ & ‘VitaMe Enriched Beverage’. We have been working in a most focused manner since last 4 years to fully evolve a well-researched product and develop a niche brand within this nascent but high potential market. Our brand profile is illustrated below:



**‘Bounce Superdrinks’** is a low-calorie hydration drink range and is our flagship brand. The range has unique & proprietary blend of flavors, sweetening agents and nutrients which can be consumed by all age groups. ‘Bounce Superdrinks’ was originally manufactured under the brand name of ‘Bounce Superwater ’in 6 flavors viz. perky peach, watermelon, zesty green apple, peppy pink guava, tangy orange and litchi. However, currently it has expanded to over 14 flavors under 6 sub-variants that includes both still and carbonated drinks - Vitalize (4 flavors viz. Blue Surge, Perky Peach, Green Apple Zest & Electric Orange), Sports+ (5 flavors viz. Blue Surge, Pomegranate, Peach, Orange & Lime), Glucose + (Apple, Lemon, Litchi & Jeera), Glucofizz (Berry Fizz, Litchi Fizz & Orange Fizz), Lemon Fizz & Jeera Fizz. Currently this is the only product which is marketed by our Company.

**‘VitaMe Enriched Beverages’** are multi nutrient drinks customized to meet gaps in the daily diet thereby offering loads of different nutrients in a ready-to-drink, low-calorie beverage format in four flavors. It is customized as per the taste buds of Indian customers. VitaMe is available in four variants- Guava Electrolite, Watermelon Prebiotic, Litchi- Mint Unwind and Lemon – Lime Antioxidant Burst.

All our formulations are created in-house by highly qualified nutrition & health care professionals. The founder of our Company, Mrs. Deepthi Anand, is a biomedical professional and has over 19 years of experience in the field of medical research, nutrition research, product development & technological applications to health. The top management Our Company is run by seasoned professionals with substantial experience in the pharmaceutical, nutraceutical & FMCG space across global brands.

Our Company uses a knowledge-based approach from internal and external sources in adding new products, testing them and developing them in final saleable forms. We utilize an outsourcing model that emphasizes on quality manufacturing, bottling, packaging and transportation. We believe that this outsourcing model provides us with the scalability required to undertake new developments across delivery formats and also enables us to focus on the core area of research, product development, quality control and marketing of the products.

Our Company conforms to all necessary regulatory specifications. We firmly believe in benchmarking our product quality against the highest standards, are unflinchingly customer centric, deeply people focused, and follow ethical business practices and corporate governance standards overall. We draw our strength from an age old tradition of quality products as the best strategy for sustained growth.

## **OUR STRENGTHS**

### ***Experienced management team***

We have a qualified and professional management team with significant experience in all operational aspects of our business. We believe that the industry experience of our Promoters and Management team and their ability to deliver consistent sales growth are our significant strengths. The founder of our Company, Mrs. Deepthi Anand, a clinical researcher has over 19 years of experience in the field of clinical research, healthcare and nutrition. She has also co-founded and headed operations as COO of Asiatic Clinical Research Organization, a Contract Research Organization. For further details of the educational qualifications and experience of our Directors and our Key Managerial Personnel, please refer the chapter titled “*Our Management*” beginning on page no. 111 of this Draft Prospectus.

Also, our Company is run by health-care professionals with substantial experience in pharmaceutical, nutraceutical & FMCG product development & marketing across global brands, which will enable us to identify new opportunities, rapidly respond to market conditions, adapt to changes in the business landscape and competitive environment and enhance the growth in the business. We believe that our management team’s in-depth understanding of target markets and consumer demand and preferences has enabled us to continue to grow our business and expand our operations.

### ***No dependency for Product Development and Formulations***

Our Company, being a Fast Moving Health Goods (FMHG) company has to go through research and development process for developing functional beverages which are not only healthy but also have good taste as we compete with established aerated drinks and fruit juices in the market. Our company is focused on creating products that not just create new categories in the beverage market, but are also the best in class in terms of the ingredients used, nutrition delivered, flavors

used & calories from sugar reduced going forward. We utilize an outsourcing model for manufacturing of the products, providing us with the scalability required to undertake future developments and also enables us to focus on the core area of research, product development, quality control and marketing of our products.

### ***Understanding consumer preferences and product development***

Today's consumers are deeply concerned about how their health care is managed, administered and proceed. They are frustrated with the expensive, high tech, disease treatment approach prominent in modern medicine, the consumer is seeking complementary or alternative beneficial products and the red tape of managed care makes nutraceuticals particularly appealing.

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

We believe in constantly addressing the customer needs for variety of our products. This has helped us to maintain a long term working relationship with our customers and improve our customer retention strategy. We have strong existing client relationships which generates multiple repeat orders. We believe that our existing relationship with our clients represents a competitive advantage in increasing our business and gaining new clients.

### ***Outsourced Model for manufacturing and distribution for our products***

Our company is focused on research, developing & marketing high quality, best-in-class, nutraceutical products i.e. multinutrient functional beverages to prevent and/or manage lifestyle related diseases. Our company has developed established relations with third party manufacturers, utilizing an outsourcing model that emphasizes on quality manufacturing, bottling, packaging and transporting the products to the retailers. We believe that by establishing such relations our company can ensure a steady and uninterrupted supply of products to our customers.

### ***Long Shelf life compared to Peers***

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

## **OUR STRATEGIES**

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

With wellness increasingly becoming a mainstream thought especially amongst the millennial, along with changing lifestyle preferences, nutraceuticals market in India is expected to gain prolific growth in the years to come and it is the target segment of our company. We intend to capitalize on this changing market sentiment by focusing on improving the market share of our products by expanding our distribution network and increasing production volumes. Along with existing product '*Bounce Superdrinks*' our company intends to resume manufacturing and marketing of existing product *VitaMe* and further add probiotic drinks, herbal products, Fitness supplements with enhanced protein absorption, Diabetic & Weight loss supplements and Premium drinks for skin, nail & hair care as part of our portfolio.

Further, our company intends to introduce new extensions to our flagship brand such as ready to mix powders, dispensers, breakfast shots and hangover cure shots. We also intend to gain footprint in premium fitness, weight loss & skin care products with the opportunity to out license/ sell to pharmaceutical companies.

---

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

Our Company sells/distributes functional beverages in domestic market and in the global market to some extent. The domestic market also offers opportunities in term of sub-geographic penetration and product/ market diversification. Our Company will seek to grow its marketing reach within India by exploring hitherto untapped markets and segments as part of its strategy to mitigate market risk and widen growth prospects.

We continue to focus on increasing sales volumes by expanding our distribution network, optimizing our distribution operations and increasing product supply to under-penetrated markets, particularly in South India. We focus on optimal utilization of our existing distribution infrastructure by implementing effective brand and product promotion strategies through intensive interaction with distributors, effective involvement of our sales team at points of sale, and expanding the range of product offerings in certain markets and areas to specifically cater to regional and local consumer preferences. We intend to expand the sales team and continue our focus on increasing retail presence of our existing product 'Bounce Superdrinks' by increasing our brand promotion activities, in-store product inventory as well as ensure price competitiveness, especially in high density consumer areas such as malls, super-markets and large stores & multiplexes. As our target customers include youth and young working professionals, we intend to expand the sales and distribution to schools, colleges, hotels, cafeteria, fitness centers and office canteens.

***Expand our global footprint***

Through a combination of increased capacities, reduced costs, wider range of products and products adhering to global standards, marketing initiatives, competitive pricing and more efficient use of resources, we intend to expand our global footprint and become a preferred supplier of nutrition products.

The company shall also explore franchising opportunities in manufacturing & distribution for Bounce Superdrinks for increasing the brand's footprint across Asia & the Middle East going forward.

***Continue to focus on cost efficiencies to improve operational efficiency***

We continue to invest in increasing our operational efficiency throughout the organization. We are addressing the increase in operational output through continuous process improvement and consistent quality improvement. As a part of improving cost efficiency we have worked on backward integration of costs, improved packaging of bottles, reduced burden of sales commission to distributors by setting up internal sales team and we are also under the process of developing a system of inventory management to reduce wastage at each point.

***Focus on R&D to develop complete systems to enhance the long-term prospects of our Company.***

Nutraceutical is regarded as the bioactive substance and natural bioactive compounds include a broad diversity of structures and functionalities that provide an excellent pool of molecules for the production of therapeutic compounds.

Nutraceuticals may range from isolated nutrients herbal products, dietary supplements and diets to genetically engineered "designs" foods and processed products such as cereals, soups and beverages. Presently we are focused on beverages - Bounce Superdrinks. As we establish more, we will expand our offerings in for of cereals & premix powers.

Our Company is a research driven company with continuous efforts focused on developing functional beverages with a blend of perfect taste along with nutritional level and quality checks at various levels. We continue to identify various strategic initiatives to improve our operational efficiencies and invest in better ways to manufacture new products and to upgrade the quality of our existing products to address changing industry trends and customer requirements. We intend to continue providing such customized products to meet varied requirements of our customer's health depending upon the target customers.

We believe that continued investments in R&D will enable us to increase our productivity, improve our operating efficiency, and enable us to penetrate existing and new market segments and become preferred functional beverage and supplement supplier. We believe that it is critical for functional beverage manufacturers like us to give a blend of perfect taste with nutrition depending on age and living environment of our customers. A strong understanding of the customers'

requirements based on their consumption pattern is essential. To harness growing market opportunities and to maintain our lead position of a quality and reliable supplier, we intend to focus on enhancing our brand image with improved products in near future.

## **DETAILS OF OUR BUSINESS**

### **LOCATION**

#### **Registered Office**

Our Registered office is located at D. No. 134, 6th Main, 1st Block, Banashankari 3rd stage, Bangalore- 560085.

#### **Corporate Office**

Our corporate office is located at Room No. 11, Basement Floor, 7th Block, 33rd Main Road, BSK 3rd Stage, Banagirinagar, Bangalore – 560 085. The said premise is a rented premise.

#### **Warehouse**

Located at No. 138/A, 1st Block, 2nd stage Nagarabhavi, Bangalore-560072

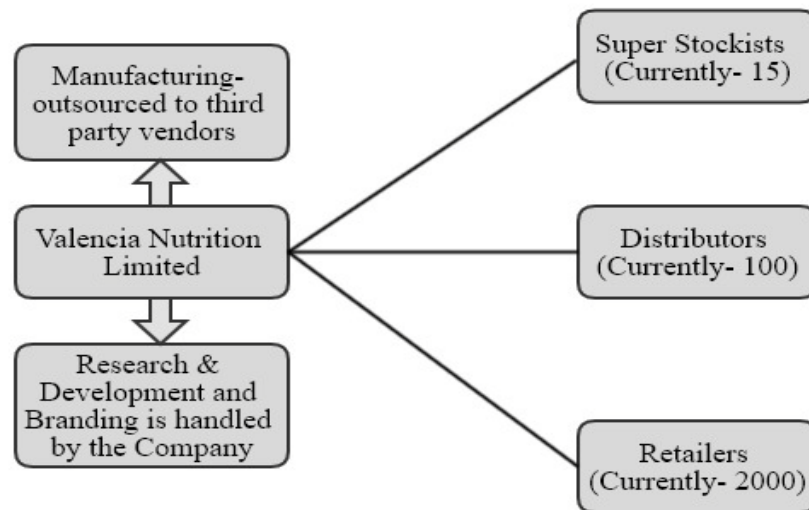
#### **Third Party Manufacturing Plants**

The Company has outsourced the manufacturing to two third party bottlers based near Mysore and in Davangere, both in Karnataka, India. Our Company has taken the FSSAI License and other local and national regulatory approvals as required for the manufacturing unit have been taken by the respective third party bottlers. Also, both the units strictly adhere to Good Manufacturing Practices (GMP).





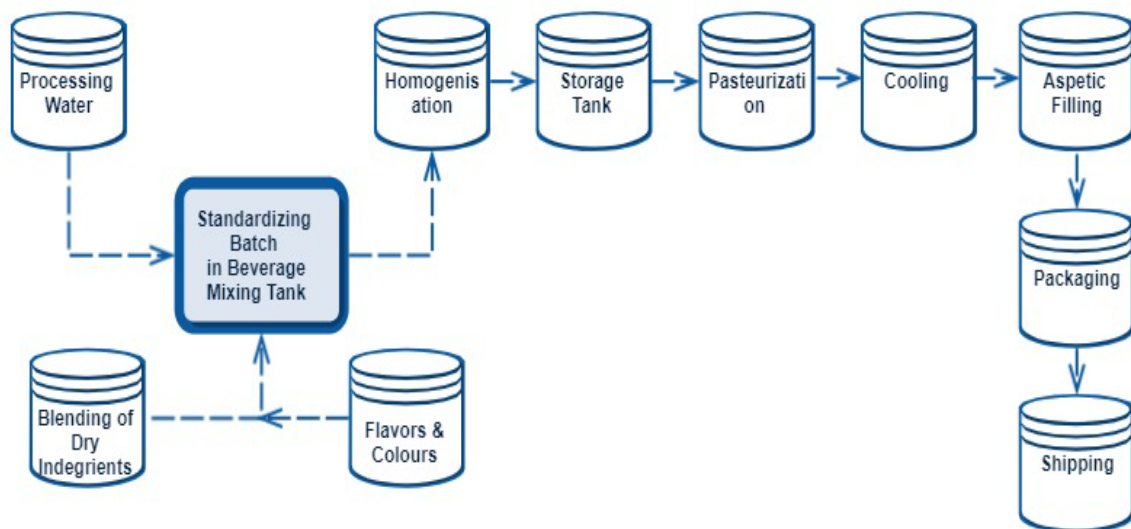
## Current Business Models



## Manufacturing Process

Our Company procures all raw materials & all packing material required for each of our product from local vendors. Proprietary material is blended into a mix (called premix) and coded for confidentiality before sending to third party bottlers.

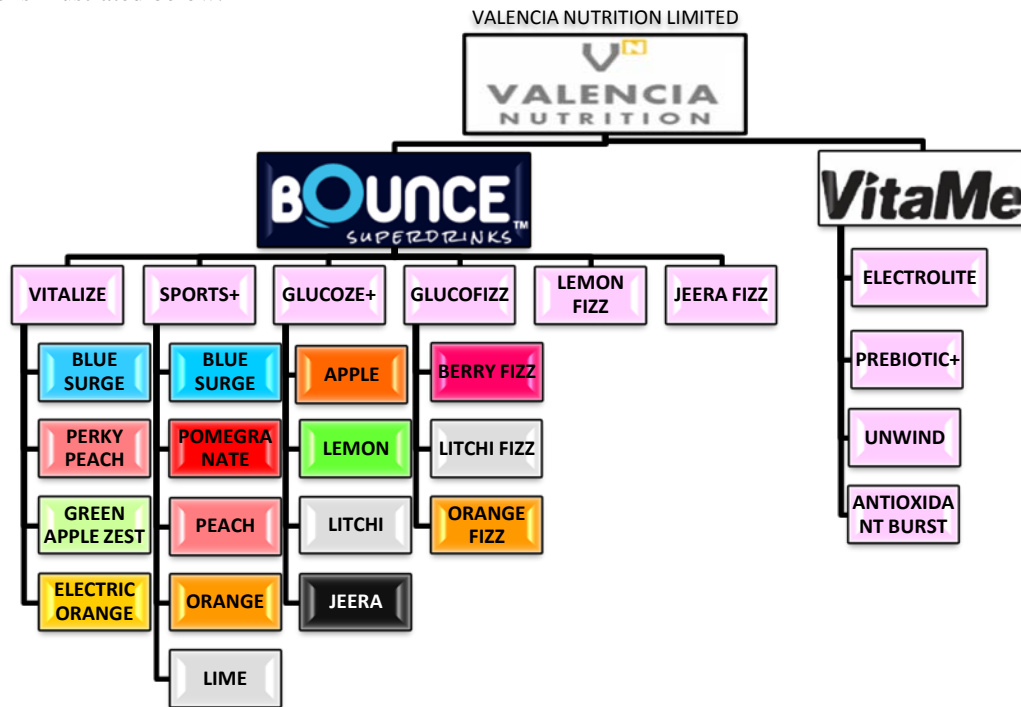
Manufacturing process undertaken by our manufactures is detailed below:



## OUR PRODUCTS

We are an applied biotechnology company focused on ready to drink nutraceuticals (also known as functional beverages) based on in-house research and development. Nutraceutical market is divided into four major segments according to product type: functional foods, functional beverages, dietary supplements and beverages. Our company is focused on research, developing & marketing high quality, best-in-class multinutrient functional beverages to prevent and/or manage lifestyle related diseases.

Our brand profile is illustrated below:



Details of our product portfolio are mentioned below:

**1. BOUNCE SUPERDRINKS**







**'Bounce Superdrinks'** is a low-calorie hydration drink range and is our flagship brand. The range has unique & proprietary blend of flavors, sweetening agents and nutrients which can be consumed by all age groups. 'Bounce Superdrinks' was originally manufactured under the brand name of 'Bounce Superwater' in 6 flavors viz. perky peach, watermelon, zesty green apple, peppery pink guava, tangy orange and litchi. However, currently it has expanded to over 14 flavors under 6 sub-variants that includes both still and carbonated drinks - Vitalize (4 flavors viz. Blue Surge, Perky Peach, Green Apple Zest & Electric Orange), Sports+ (5 flavors viz. Blue Surge, Pomegranate, Peach, Orange & Lime), Glucose+ (Apple, Lemon, Litchi & Jeera), Glucofizz (Berry Fizz, Litchi Fizz & Orange Fizz), Lemon Fizz & Jeera Fizz. Currently this is the only product which is marketed by our Company.

#### **Key ingredients of Bounce:**

- ✓ Multiple vitamins & electrolytes
- ✓ Natural & Nature-identical flavours
- ✓ Sucrose & Glucose
- ✓ Stevia to reduce sugar & calories\*
- ✓ Other variant specific ingredients like monk fruit concentrate (a first in India), coconut water extract and so on

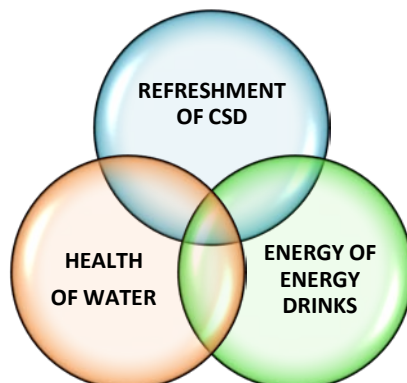
*\*Enzymes are biological catalysts (also known as biocatalysts) that speed up biochemical reactions in living organisms. They can also be extracted from cells and then used to catalyze a wide range of commercially important processes. For example, they have important roles in the production of sweetening agents. Bounce Superdrinks are sweetened from Stevia.*

*Stevia glycosides, extracted from the leaves of the plant Stevia rebaudiana Bertoni, displays an amazing high degree of sweetness. As processed plant products, they are considered as excellent bio-alternatives for sucrose and artificial sweeteners. Being non-caloric and having beneficial properties for human health, they are the subject of an increasing number of studies for applications in food and pharmacy*

#### **Benefits of consuming Bounce Superdrinks are:**

- ✓ Refreshes, recharges & rehydrates the body
- ✓ vitamins & electrolytes help to reduce fatigue, boost immunity & keep up the energy required for daily activities
- ✓ Perfect for tropical weather conditions
- ✓ Reduces sugar consumption significantly when compared to other drinks in the market including colas & packaged juice
- ✓ Eliminates artificial flavors & caffeine

A new category of Beverages for Indian Millennial that Refreshes, Recharges and Rehydrates, thus Bounce is a combination of:



Bounce derives its name from its qualities from as under:

**S:** Surprise your senses with its irresistible taste (flavours imported from Europe)

**U:** Undo excess sugar with India's lowest calorie drink (55% less than MOST carbonated drinks & packaged juice)

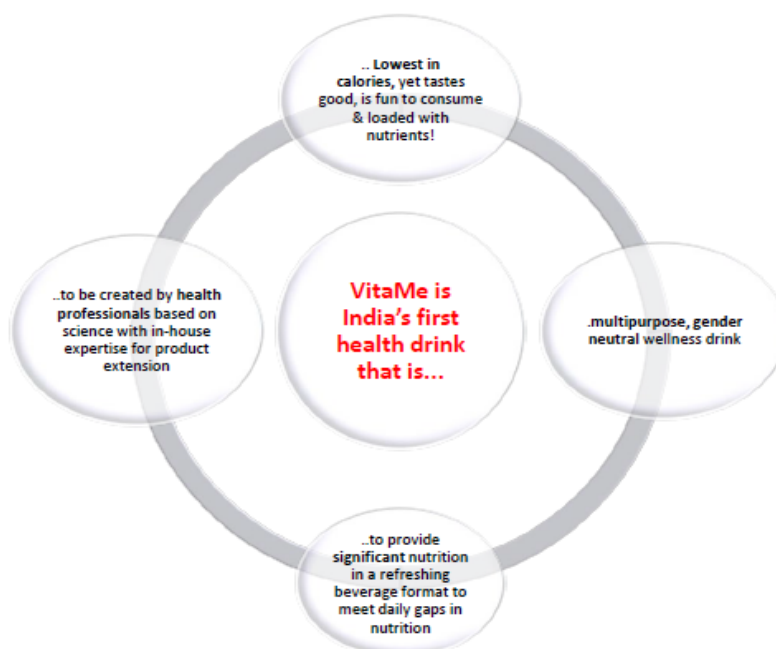
**P:** Power up with monk fruit (a natural antioxidant), 6 vitamins (strength & antioxidant power) & zinc (immunity & antioxidant boost)

**E:** Eliminate junk like added colour, artificial flavours & preservatives

**R:** Refresh, recharge & rehydrate like never before!

## 2. VITAME ENRICHED BEVERAGE

'*VitaMe Enriched Beverages*' are multi nutrient drinks customized to meet gaps in the daily diet offering loads of different nutrients in a ready-to-drink, low-calorie beverage format in multiple flavors. VitaMe is available in four variants- Guava Electrolite, Watermelon Prebiotic, Litchi- Mint Unwind and Lemon – Lime Antioxidant Burst. The health drink is customized to meet health issues of Indian consumers by offering them a tasty beverage to meet nutrition gaps, which is developed in-house by nutrition and healthcare professionals. VitaMe is free from artificial colour, artificial flavours, artificial preservatives, artificial sweeteners etc. It offers significant & consistent nutrition compared to other Wild Vitamin Water, fresh fruit (juice) or cold pressed juice.




**Key Ingredients of VitaMe:**




- ✓ 7 whole wheat bread slices of soluble fibre
- ✓ Vitamins including D & B-complex vitamins
- ✓ Minerals
- ✓ L-theanine
- ✓ Green tea

**Benefits of consuming VitaMe Enriched drinks are:**

- ✓ Digestive Health
- ✓ Anti stress
- ✓ Deep hydration
- ✓ Deep nourishment of skin and hair

The below table provide the details of VitaMe and its benefits:

Sr. No.	Flavours	Ingredients	Benefits
1.	<p><b>VitaMe Watermelon Prebiotic:</b></p> 	<ul style="list-style-type: none"> <li>• 7 Whole wheat bread slices of soluble fibre.</li> <li>• Vitamin B – Complex.</li> <li>• Zinc</li> </ul>	<ul style="list-style-type: none"> <li>• Refreshment with tummy benefits.</li> <li>• Ingredients like Vitamin B are essential nutrients that help convert our food into fuel keeping us energetic throughout the day.</li> <li>• Also, zinc is used for boosting the immune system.</li> </ul>
2.	<p><b>VitaMe Litchi- Mint Theanine Bliss:</b></p>	<ul style="list-style-type: none"> <li>• L- Theanine.</li> </ul>	<ul style="list-style-type: none"> <li>• Refreshment With Anti-stress Benefits</li> </ul>

Sr. No.	Flavours	Ingredients	Benefits
		<ul style="list-style-type: none"> <li>• 9 Vitamins including vitamin D &amp; B12.</li> <li>• Zinc</li> </ul>	<ul style="list-style-type: none"> <li>• Ingredients like L – Theanine help to reduce stress, improve sleep, promote relaxation and boost concentration and alertness.</li> <li>• L –Theanine is also partly responsible for the beverage's impact on mood.</li> </ul>
3.	<p><b>VitaMe Lemon Lime Antioxidant Burst:</b></p> 	<ul style="list-style-type: none"> <li>• 3 Cups of Green Tea</li> <li>• Vitamin C</li> <li>• Zinc</li> </ul>	<ul style="list-style-type: none"> <li>• Refreshment With Skin &amp; Hair Benefits</li> <li>• Ingredient like Vitamin C which is also known as ascorbic acid is necessary for the growth, development and repair of all body tissues.</li> <li>• The antioxidant properties of Vitamin C and its role in collagen synthesis makes it a vital molecule for skin health.</li> </ul>
4.	<p><b>VitaMe Guava Electrolite:</b></p> 	<ul style="list-style-type: none"> <li>• 5 minerals</li> <li>• 7 Vitamins including Vitamin D and Vitamin B12</li> </ul>	<ul style="list-style-type: none"> <li>• Refreshment with Deep Hydration Benefits.</li> <li>• Ingredient like Vitamin D maintains the health of bones and teeth and supports the health of the immune system, brain, and nervous system.</li> <li>• Ingredient like Vitamin B12 is needed for nerve tissue health, brain function, and the production of red blood cells.</li> </ul>

### **Distribution and Sales**

We have engaged super-stockists and distributors for the distribution of our products, whom we select based on their distribution networks, warehouse facilities, transportation fleet, financial condition, credit worthiness and compatibility with our own business strategies. Super-stockists typically sell to distributors who in turn sell to retail outlets, colleges, schools, hospitals, fitness centers & cafeterias.

Finished goods manufactured at our Mysore & Davengere facilities are typically stocked at Bangalore in our warehouse. However, ahead of peak season demand, we also rent warehouse in Bangalore to stock our products as per our requirements and market trends. From these locations, our products are sent to various distributors. Such distributors then sell our products directly to retail outlets. In addition we undertake direct sale and supply of our products to schools, colleges, hotels, cafeteria, and office canteens. The entire distribution and sales channel is handled by in our in house sales team at every level to ensure a seamless supply chain.

India has in the recent past witnessed the emergence of new supermarket and hypermarket chains, including in rural areas. Our products are also available in supermarkets and hypermarket chains. While the current share of our revenues through these chains is not significant, it is expected that this may rise in the near future. While we currently do not have any long term arrangement with these supermarket and hypermarket chains, we may explore opportunities of forming distribution and marketing channels with these chains.

### **OUR MAJOR CUSTOMERS**

Our Company is primarily engaged in the research, manufacture and marketing of various nutraceutical drinks. The percentage of income derived from our top customers based on revenue from sale of products is as given below:

(₹ in lakhs)

Sr. No.	Particular	For Year/ Period ending			
		June 30, 2019		March 31, 2019	
		Revenue	Percentage (%)	Revenue	Percentage (%)
1	Income from Top 5 Customers (%)	44.03	47.19%	61.33	43.29%
2	Income from Top 10 Customers (%)	64.97	69.63%	85.69	60.49%

### **PLANT & MACHINERY**

We outsource the production of our company to third parties. As such we own a few moulds, tools and equipments which are owned by us but the same is used by the third party manufacturers.

### **RAW MATERIALS & PACKING MATERIALS**

Our raw material requirements include ingredients required for production of Nutraceutical drinks as well as processing aid materials. In addition, we use packaging and labeling materials. The key ingredients and raw materials required for the production of our drinks include purified water, multiple vitamins & electrolytes, sucrose, glucose, stevia, flavouring agents, colouring agents & stabilisers. Processing aid materials are indirect materials but are required to complete the manufacturing cycle. Packaging materials include preforms, corrugated boxes, PET preforms, labels, caps etc. These materials are procured by our Company from local suppliers at negotiated prices. Although we do not have long term contracts with any of our suppliers right now, we plan to enter them as soon as our volumes meet their minimum order requirements for discounted prices.

### **UTILITIES**

#### **Power, Fuel and Water**

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

### **EXPORT & EXPORT OBLIGATION**

The total exports of our company for three months period ending June 2019 and for the fiscal 2018-19 was NIL and ₹ 20.89 lakhs respectively.

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

## **COLLABORATIONS**

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

## **COMPETITION**

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

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

## **MARKETING SET-UP**

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

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

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

## **CAPACITY AND CAPACITY UTILIZATION**

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

## **HUMAN RESOURCES**





The details of manpower employed as on June 30, 2019 are as under:

<b>Sr. No.</b>	<b>Category</b>	<b>Number of employees</b>
1.	Executive Directors	2
2.	Key Managerial Personnel (KMP)	3
3.	Other Employees	45
	<b>Total</b>	<b>50</b>

Our Company has also entered into agreements with third parties in order to carry out the processing, packing, sales and distribution of the products manufactured under our observation.

## INTELLECTUAL PROPERTY

We have applied for the following Intellectual Properties with the Trade Mark Registry, Chennai.

Particulars of the Mark	Trade Mark Type	Applicant / Owner	Trademark Application Number	Class	Status
	Device	Valencia Nutrition Private Limited	3435053	32	Registered
	Device	Valencia Nutrition Limited	2828195	32	Registered
	Device	Valencia Nutrition Private Limited	3656103	32	Opposed- request for amendment is pending for processing
	Colour	Valencia Nutrition Limited	2977367	32	Registered

## PROPERTIES

### Registered Office

Our registered office is located at D. No. 134, 6th Main, 1st Block, Banashankari 3rd Stage, Bangalore- 560085. The office is owned by CBR Net-Work (a promoter group organization). We have entered into an office sharing agreement for using the office premises for our use.

### Owned land

Our Company owns land at Site No. 1257, Block II, Anjanapura, Bangalore Development Authority Layout purchased for a consideration of ₹ 100 lakhs from Sri. G. Rajendra Kumar & Smt. Sandhya R. K.

### Leave and License Properties

The details of Leave and license property which we occupy for our business operations is as under:

Sr. No.	Name of the Licensor	Details of the Property	Term of the Licence/ validity period	Amount of Licence Fee/ Rent/ Security Deposit	Purpose
1.	Sri. H. Keshavan	Room No. 11, Basement Floor, 7 <sup>th</sup> Block, 33 <sup>rd</sup> Main Road, BSK 3 <sup>rd</sup> Stage, Banagirinagar, Bangalore – 560085	July 01, 2019 to May 30, 2020 and renewable upon mutual agreement	<b>Rent</b> – ₹ 0.33 lakhs per month with an escalation of 10% on monthly basic rent after completion of 11 months <b>Security Deposit</b> – ₹ 2.50 lakhs	Corporate office, R&D Facility & premix facility
2.	P A Gangamma & Sucheetha B G	No. 138/A, 1 <sup>st</sup> Block, 2 <sup>nd</sup> stage Nagarabhavi, Bangalore-560072	January 01, 2019 to November 30, 2019 and renewable upon mutual consent	<b>Rent</b> – ₹ 0.16 lakhs per month with an escalation of 10% <b>Security Deposit</b> – ₹ 1.60 lakhs	Godown for storing raw materials and finished goods



## **INSURANCE**

Currently our company does not have any insurance policies.

---

## KEY INDUSTRY REGULATIONS & POLICIES

*In carrying on our business as described in the section titled “Our Business” on page no. 85 of this Draft Prospectus, our Company is regulated by the following legislations in India. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details of Government Approvals obtained by the Company in compliance with these regulations, kindly refer to the Chapter titled “Government and Other Key Approvals” beginning on page no. 172 of this Draft Prospectus.*

*Our Company is an applied biotechnology startup operating in the niche field of researching, developing & marketing high quality, best-in-class nutraceutical products i.e. multi-nutrient functional beverages to prevent and/or manage lifestyle related diseases. Given below is a brief description of the certain relevant legislations that are currently applicable to the business carried on by us:*

### **A. Industry Related Regulations**

#### **1. The Food Safety and Standards Act, 2006**

The Food Safety and Standards Act, 2006 (the “FSS Act”) is the primary legislation in India relating to food and the corresponding safety standards. The FSS Act inter-alia mandates that no food business operator shall himself or by any person on his behalf manufacture, store, sell or distribute any article of food:

- i. which is unsafe; or
- ii. which is misbranded or sub-standard or contains extraneous matter; or
- iii. for which a licence is required, except in accordance with the conditions of the licence; and
- iv. which is for the time being prohibited by the Food Authority or the Central Government or the State Government in the interest of public health

Section 3(j) of the FSS Act defines ‘food’ and inter-alia includes packaged drinking water within the scope of the definition of ‘food’. Further, every person who carries on food business is required to obtain a license under the FSS Act. The Food Safety and Standards Authority of India (“FSSAI”) has been established under the FSS Act. The FSSAI has the power to regulate and monitor the manufacture, processing, distribution, sale and import of food so as to ensure safe food. It inter-alia has the power to regulate the quality control of articles of food imported in India, limits on use of additives, metals, drugs and anti-biotics in food, certification of bodies engaged in food safety management systems and food labelling standards. The FSSAI is obliged to provide scientific advice and technical support to the Central Government and the State Governments in framing the policies and rules in areas which have a direct or indirect bearing on food safety and nutrition. The FSS Act also provides power to the Food Safety Officer to enter and inspect any place where articles of food are manufactured, or stored for sale, or stored for the manufacture of any other article of food, or exposed or exhibited for sale and where any adulterant is manufactured or kept, and take samples of such articles of food or adulterant for analysis. Further, any person who whether by himself or by any other person on his behalf manufactures for sale or stores or sells or distributes or imports any article of food for human consumption which is sub-standard, shall be liable to a penalty which may extend to five lakhs rupees. The FSSAI has also framed the several rules and regulations relating to food safety and standards with regard to sale, packaging and labelling, analysis, additives and contaminants.

#### **2. Karnataka Municipal Corporation Act, 1976 (“KMC Act”)**

The KMC Act consolidates and amends the laws, relating to the establishment of municipal corporations in Karnataka. Under the KMC Act, a corporation is established based on certain criteria, which include the population of the area and the density of the population. Under the KMC Act, the construction of buildings, wells, tanks etc. is regulated by the municipal corporations which impose mandatory requirements such as approvals, building bye-laws, regulation of future constructions, etc. The KMC Act empowers municipal corporations to make bye laws for the use of sites and buildings and for all matters that are required or allowed to be carried on under the KMC Act.

## **B. LABOUR RELATED LEGISLATIONS:**

### **1. Karnataka Shops and Establishment Act, 1961**

The provisions of Karnataka Shops and Establishment Act, 1961, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations, inter alia, in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work. In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations.

### **2. Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“EPF Act”)**

Under the EPF Act, compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee’s provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee’s contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### **3. Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957**

Industrial Dispute Act, 1947 and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The Industrial Disputes Act, 1947 (“IDA”) was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the IDA have been provided with several benefits and are protected under various labor legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The IDA also sets out certain requirements in relation to the termination of the services of the workman. The IDA includes detailed procedure prescribed for resolution of disputes with labor, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

### **4. The Employees’ Compensation Act, 1923**

The Employees’ Compensation Act, 1923 (“EC Act”) has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries caused by accident(s) arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The EC Act makes every employer liable to pay compensation in accordance with the EC Act if a personal injury/disablement/loss of life is caused to a workman by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the EC Act within 1 (one) month from the date it falls due, the commissioner appointed under the EC Act may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

### **5. Payment of Gratuity Act, 1972**

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of 5 (five) years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of ‘five year continuous service’ is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 (fifteen) days’ wages for every completed year of service with the employer. Presently, an employer is obliged for a maximum gratuity pay out of Rs. 10,00,000/- for an employee.

## **6. The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 (“MWA Act”) was enacted to establish minimum wages for certain categories of employees. Under this Act, the Central and the State Governments stipulate the scheduled industries and establishments and fix minimum wages.

## **7. Payment of Bonus Act, 1965**

Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory or in any establishment where 20 (twenty) or more persons are employed on any day during an accounting year, who has worked for at least 30 (thirty) working days in a year, is eligible to be paid a bonus. Contravention of the provisions of the Payment of Bonus Act, 1965 by a company is punishable with imprisonment up to six months or a fine up to Rs. 1,000/- or both.

## **8. The Maternity Benefit Act, 1961**

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women in certain establishments for certain periods and to ensure that they get paid leave for a specified period before and after childbirth, or miscarriage or medical termination of pregnancy. It inter alia provides for payment of maternity benefits, medical bonus and prohibits the dismissal of and reduction of wages paid to pregnant women.

## **9. The Payment of Wages Act**

The Payment of Wages Act, 1936 (“PWA”) is applicable to the payment of wages to persons in factories and other establishments. PWA ensures that wages that are payable to the employee are disbursed by the employer within the prescribed time limit and no deductions other than those prescribed by the law are made by the employer.

## **10. Equal Remuneration Act, 1979**

Equal Remuneration Act, 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith.

## **11. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”) provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/-

## **12. Child Labour (Prohibition and Regulation) Act, 1986**

It outlines where and how children can work and where they cannot. The provisions of the act are meant to be acted upon immediately after the publication of the act, except for part III that discusses the conditions in which a child may work. The act defines a child as any person who has not completed his fourteenth year of age. Part II of the act prohibits children from working in any occupation listed in Part A of the Schedule; for example: Catering at railway establishments, construction work on the railway or anywhere near the tracks, plastics factories, automobile garages, etc. The act also prohibits children from working in places where

certain processes are being undertaken, as listed in Part B of the Schedule; for example: beedi making, tanning, soap manufacture, etc.

### **C. TAX RELATED LEGISLATIONS:**

#### **1. Income-tax Act, 1961**

The Income-tax Act, 1961 (“IT Act”) is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

#### **2. Central Goods and Services Tax Act, 2017**

The Central Goods and Services Tax Act, 2017 (“CGST Act”) regulates the levy and collection of tax on the intra- State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs. There would be four tax rates namely 5%, 12%, 18% and 28%. The rates of GST applied are subject to variations based on the goods or services.

#### **3. Professional Tax**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority. The following legislations pertaining to Professional Tax is applicable to Company:

(a) Karnataka State Tax on Profession, Trades, Callings and Employments Act, 1976;

#### **4. Central Excise Act, 1944**

The Central Excise Act, 1944 (“Central Excise Act”) consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates set forth in the First Schedule to the Central Excise Tariff Act, 1985.

## **5. Karnataka Excise Act, 1965**

The Act relates to the production, manufacture, possession, import, export, transport, purchase and sale of liquor and intoxicating drugs and the levy of duties of excise thereon, in the State of Karnataka. It provides for appointment of officers to supervise the working of every factory involved in the business of manufacture or production of liquor or intoxicating drugs. It lays down rules for Import, export and transportation of intoxicants, manufacture, possession and sale of excisable items given under the Act and for establishment of warehouse and distilleries. It also provides for levy of excise duty on the goods listed under the Act as well a grievance redressal mechanism for any offence mentioned under the Act.

## **D. OTHER LAWS**

### **1. The Karnataka Stamp Act, 1957**

Stamp duty on instruments in the state of Karnataka is governed by the Karnataka Stamp Act. This act levies stamp duty on documents/instruments by which any right or liability is or purports to be created, transferred, limited, extended, extinguished or recorded. All instruments chargeable with duty and executed by any person are required to be stamped before or at the time of execution or immediately thereafter on the next working day following the day of execution. It authorizes the State Government on receiving information from any source, to call for examination of any instrument to satisfy itself that the market value of the property referred therein has been truly set forth and the duty paid on it is adequate. Instruments not duly stamped are incapable of being admitted in court as evidence of the transaction in question. The State Government has the authority to impound insufficiently stamped documents.

### **2. The Indian Stamp Act, 1899**

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act, 1899 ("Stamp Act") which is enacted by the Central Government. All others instruments are required to be stamped, as per the rates prescribed by the respective State Governments. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one state to another. Certain states in India have enacted their own legislation in relation to stamp duty while the other states have adopted and amended the Stamp Act, as per the rates applicable in the state. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act. Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from state to state.

The Karnataka Stamp Act, 1957 are applicable to the Company.

### **3. The Registration Act, 1908**

The Registration Act, 1908 has been enacted with the objective of providing public notice of the execution of documents affecting, inter alia, the transfer of interest in immovable property. The purpose of the Registration Act is the conservation of evidence, assurances, title and publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in any immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. A document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under The Transfer of Property Act 1882 or as collateral), unless it has been registered. Evidence of registration is normally available through an inspection of the relevant land records, which usually contains details of the registered property. Further, registration of a document does not guarantee title of land. Karnataka Registration Rules 1965 have been implemented in the State of Karnataka in order to enforce and carry out the provisions of this Act. 89



#### 4. **The Indian Contract Act, 1872**

The Indian Contract Act, 1872 (“Contract Act”) codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement. The Specific Relief Act, 1963 The Specific Relief Act is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. ‘Specific performance’ means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

#### 5. **The Competition Act, 2002**

The Competition Act 2002 (the “Competition Act”) aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India (the “Competition Commission”) which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

#### 6. **The Companies Act, 1956**

The Companies Act, 1956 The Companies Act, 1956 deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Act primarily regulates the formation, financing, functioning and winding up of companies. The Companies Act, 1956 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act, 1956 plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

#### 7. **The Companies Act, 2013**

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 Sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Companies (Amendment) Act, 2015 has *inter-alia* amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. Further, vide the Companies (Amendment) Act, 2015, Section 11 of the Companies Act, 2013 has been omitted and Section 76A has been inserted in the Companies Act, 2013. As on date, till date, total 427 sections are notified by Ministry of Corporate Affairs. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

#### 8. **The Trademarks Act, 1999**

Under the Trademarks Act, 1999 (“**Trademarks Act**”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and



some person having the right as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks ("the Registrar"), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

## **E. REGULATIONS REGARDING FOREIGN INVESTMENT**

Foreign investment in companies in the roadway transport industry is governed by the provisions of the FEMA read with the applicable regulations. The Department of Industrial Policy and Promotion ("DIPP"), Ministry of Commerce and Industry has issued 'Consolidated FDI' ("FDI Policy") which consolidates the policy framework on Foreign Direct Investment ("FDI"), with effect from August 28, 2017. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till August 27, 2017. All the press notes, press releases, clarifications on FDI issued by DIPP till August 27, 2017 stand rescinded as on August 28, 2017. Vide an Office Memorandum dated June 5, 2017 ("Office Memorandum"), issued by Ministry of Finance, Department of Economic Affairs the Government of India has abolished Foreign Investment Promotion Board ("FIPB").

Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. Subsequent to the abolition of FIPB, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Where FDI is allowed on an automatic basis without the approval of the Government, the RBI would continue to be the primary agency for the purposes of monitoring and regulating Foreign Investment. In cases where Government approval is obtained, no approval of the RBI is required except with respect to fixing the issuance price, although a declaration in the prescribed form, detailing the foreign investment, must be filed with the RBI once the foreign investment is made in the Indian company.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. The FDI Policy issued by the DIPP does not prescribe any cap on the foreign investments in the sector in which the Company operates. Therefore, foreign investment up to 100% is permitted in the Company under the automatic route. No approvals of the Administrative Ministries/Departments or the RBI are required for such allotment of equity Shares under this Issue. The Company will be required to make certain filings with the RBI after the completion of the Issue.

## HISTORY AND CERTAIN CORPORATE MATTERS

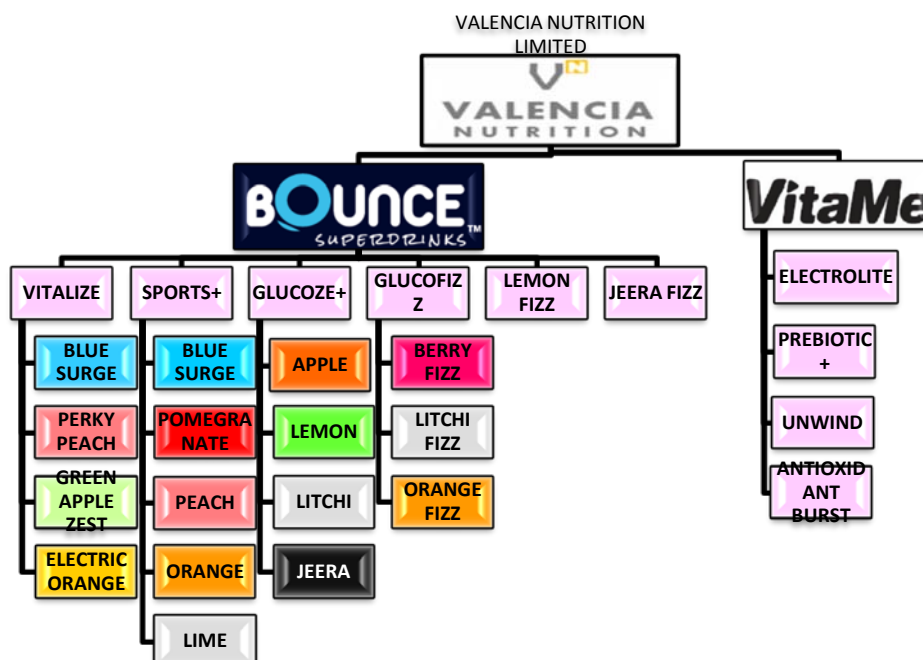
Our Company was incorporated as “Valencia Nutrition Private Limited” on April 01, 2013 under the Companies Act, 1956 with the Registrar of Companies, Karnataka bearing Registration No. 068380. Subsequently, the status of our Company was changed to public limited company and the name of our Company was changed to “Valencia Nutrition Limited” vide Special Resolution dated March 09, 2018. A fresh certificate of incorporation consequent to conversion into public limited company was issued to our Company by the Registrar of Companies, Bangalore on April 09, 2018. The Company’s Corporate Identity Number is U51909KA2013PLC068380.

### OVERVIEW

Our Company is an applied biotechnology startup operating in the niche field of researching, developing & marketing high quality, best-in-class nutraceutical products i.e. multinutrient functional beverages to prevent and/or manage lifestyle related diseases.

The nutraceutical market is segmented into functional foods, functional beverages and dietary supplements. Globally, the nutraceutical market is predicted to record revenue of USD 671.30 billion by 2024, registering a CAGR of 7.5% during the forecast period (2019 - 2024). Globally, nutraceuticals are gaining importance and are becoming a part of the consumer’s daily diet. Looking at the current trends, the Indian nutraceutical market is forecasted to grow from a value of US\$ 2.8 Billion in 2015 to a value of US\$ 8.5 Billion by 2022. Functional beverage is an emerging segment of the Indian nutraceutical industry that was valued at US\$ 0.3 Billion in 2015. With wellness increasingly becoming a mainstream thought amongst the millennial population along with changing lifestyle preferences and people consciously taking preventive healthcare measures, nutraceuticals are expected to gain prolific growth in the years to come.

Our Company is bridging the increasing gap between demand & supply for healthy products with its healthy, nutritious & flavorsome drinks – ‘Bounce Superdrinks’ & ‘VitaMe Enriched Beverage’. We have been working in a most focused manner since last 4 years to fully evolve a well-researched product and develop a niche brand within this nascent but high potential market. Our brand profile is illustrated below:



All our formulations are created in-house by highly qualified nutrition & health care professionals. The founder of our Company, Mrs. Deepthi Anand, is a biomedical professional and has over 19 years of experience in the field of medical research, nutrition research, product development & technological applications to health. The top management Our Company is run by seasoned professionals with over 15 years of experience in the pharmaceutical, nutraceutical & FMCG space across global brands.

Our Company uses a knowledge-based approach from internal and external sources in adding new products, testing them and developing them in final saleable forms. We utilize an outsourcing model that emphasizes on quality manufacturing, bottling, packaging and transportation. We believe that this outsourcing model provides us with the scalability required to undertake new developments across delivery formats and also enables us to focus on the core area of research, product development, quality control and marketing of the products.

Our Company conforms to all necessary regulatory specifications. We firmly believe in benchmarking our product quality against the highest standards, are unflinchingly customer centric, deeply people focused, and follow ethical business practices and corporate governance standards overall. We draw our strength from an age old tradition of quality products as the best strategy for sustained growth.

Our Company currently operates from our registered office situated at D. No. 134, 6th Main, 1st Block, Banashankari, 3rd Stage, Bangalore - 560 085, Karnataka. The said premise is taken on a rent.

For further details regarding our business operations, please see “*Our Business*” beginning on page no. 85 of this Draft Prospectus.

Our Company has 26 shareholders as on the date of filing of this Draft Prospectus.

### MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

Financial Year	Major Event
2013	Incorporated under Companies Act, 1956 as “ <i>Valencia Nutrition Private Limited</i> ”
	Commencement of Production of “Vitime”
2014	Commencement of Production of “Bounce Superwater”
	Registration of Trademark “VitaMe”.
2016	Registration of Trademark “Bounce Superwater”
	Registration of Trademark “PREP”
2017	Strategic investment by Mr. Manish Turakhia, thus making him as Co-Promoter of our Company.
2018	One of our Promoter, Mrs. Deepthi Anand has entered into an Irrevocable Promoter Undertaking and Invention Assignment Agreement with our Company and Mr. Manish Turakhia.
	Changed the status of our Company from Private Limited to Public Limited and subsequently change of name from “ <i>Valencia Nutrition Private Limited</i> ” to “ <i>Valencia Nutrition Limited</i> ”.
	Agreement with A Pyaas Natural & Healthy LLP for manufacturing “Bounce Superdrinks”
2019	Agreement with ATC Beverages Private Limited for manufacturing “Bounce Superdrinks”

### MAIN OBJECTS AS PER MEMORANDUM OF ASSOCIATION

Our Company’s Main Objects as per the Memorandum of Association are as follows:

1. To carry on the business of formulating, manufacturing, importing and exporting, packaging, storing, transporting, branding, research, development and distribution, directly, through logistics partners, distribution channels, franchisees, retail outlets, institutions, hotels, cafeterias, restaurants, wellness centers, fitness centers, as well as electronically through the internet and all or any medium available in the future, sales, promotion, dispensation, including but not limited to supply of all kinds of functional foods, functional beverages, health care supplements, wellness supplements, disease management supplements, cosmetics, performance enhancing supplements, diet & weight management supplements and all other nutraceutical products based on applied biotechnology and other health & nutrition technological applications related thereto.
2. To carry on in India or elsewhere the business of importers, exporters, buyers, sellers, resellers, distributors, stockist, agent, wholesalers, retailers or otherwise deal in all types of nutraceuticals, herbal products, other health care products, cosmetic products and their allied products or their raw materials.
3. To carry on the business relating to packaging, branding of vitamins, herbs or any other materials by way of import, export, buy, sell, let on hire, exchange, alter, improve, manipulate, process, prepare for market and or otherwise deal in and or distribute all kinds of plants, herbs, supplements, additives, minerals, vitamins, chemicals, raw materials and substances necessary or convenient for carrying on related business in marketable commodities.

4. To manufacture, process, dehydrate, can, package, buy, sell and deal in dry, fluid and preserved nutraceutical products including juices, aerated waters, soft drinks, biscuits, processed food products, ice cream, candy, milk and milk products, sweets and eatables or otherwise health supplements.
5. To carry on the business of project consultancy, training, hiring selection and project consultants for nutraceutical and health related sectors.
6. To conduct Research & Development of functional foods and beverages based on biotechnology or any other hi-tech process or combination thereof.

#### CHANGES IN REGISTERED OFFICE OF OUR COMPANY

Date of Change	Registered Address Changed From	Changed to	Reason
Upon Incorporation	Usha the Edifice, No. 2924, 3 <sup>rd</sup> Floor, 14 <sup>th</sup> Cross, Shasthri Nagar, BSK 2 <sup>nd</sup> Stage, K R Road, Bangalore - 560 070, Karnataka		Incorporation
March 10, 2014	Usha the Edifice, No. 2924, 3 <sup>rd</sup> Floor, 14 <sup>th</sup> Cross, Shasthri Nagar, BSK 2 <sup>nd</sup> Stage, K R Road, Bangalore - 560 070, Karnataka	No. 290, 3 <sup>rd</sup> Floor (Above Panasonic Showroom), Outer Ring Road, 4 <sup>th</sup> Phase, 7 <sup>th</sup> Block, BSK 3 <sup>rd</sup> Stage, Bangalore - 560 085, Karnataka	Administrative / Operational Convenience
June 22, 2017	No. 290, 3 <sup>rd</sup> Floor (Above Panasonic Showroom), Outer Ring Road, 4 <sup>th</sup> Phase, 7 <sup>th</sup> Block, BSK 3 <sup>rd</sup> Stage, Bangalore - 560 085, Karnataka	D. No. 134, 6 <sup>th</sup> Main, 1 <sup>st</sup> Block, Banashankari, 3 <sup>rd</sup> Stage, Bangalore - 560 085, Karnataka	Administrative / Operational Convenience

#### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Dates on which some of the main clauses of the Memorandum of Association of our Company have been changed citing the details of amendment as under:

Date	Nature of Amendment
March 13, 2014	The initial authorised share capital of ₹ 1,00,000 divided into 10,000 Equity Shares of ₹ 10 each was increased to ₹ 3,00,000 divided into 30,000 Equity Shares of ₹ 10 each.
November 24, 2014	The authorised share capital of ₹ 3,00,000 divided into 30,000 Equity Shares of ₹ 10 each was increased to ₹ 4,50,000 divided into 45,000 Equity Shares of ₹ 10 each.
May 04, 2015	The authorised share capital of ₹ 4,50,000 divided into 45,000 Equity Shares of ₹ 10 each was increased to ₹ 6,00,000 divided into 60,000 Equity Shares of ₹ 10 each.
October 24, 2016	The authorised share capital of ₹ 6,00,000 divided into 60,000 Equity Shares of ₹ 10 each was increased to ₹ 25,00,000 divided into 2,50,000 Equity Shares of ₹ 10 each.
November 27, 2017	The authorised share capital of ₹ 25,00,000 divided into 2,50,000 Equity Shares of ₹ 10 each was increased to ₹ 5,50,00,000 divided into 55,00,000 Equity Shares of ₹ 10 each.
March 09, 2018	The name of our Company was changed from “Valencia Nutrition Private Limited” to “Valencia Nutrition Limited”.
September 30, 2019	<p>Inserting the following point in object clause as point 1 instead of the existing point 1 to Clause III (A) and inserting a new point no. 6 to Clause III (A):</p> <ol style="list-style-type: none"> <li>1. <i>To carry on the business of formulating, manufacturing, importing and exporting, packaging, storing, transporting, branding, research, development and distribution, directly, through logistics partners, distribution channels, franchisees, retail outlets, institutions, hotels, cafeterias, restaurants, wellness centers, fitness centers, as well as electronically through the internet and all or any medium available in the future, sales, promotion, dispensation, including but not limited to supply of all kinds of functional foods, functional beverages, health care supplements, wellness supplements, disease management supplements, cosmetics, performance enhancing supplements, diet &amp; weight management supplements and all other nutraceutical products based on applied biotechnology and other health &amp; nutrition technological applications related thereto.”</i></li> <li>6. <i>To conduct Research &amp; Development of functional foods and beverages based on</i></li> </ol>

Date	Nature of Amendment
	<i>biotechnology or any other hi-tech process or combination thereof.”</i>

#### **STRATEGIC PARTNERS**

We do not have any strategic partners as on the date of this Draft Prospectus.

#### **TIME AND COST OVERRUN**

As on date of the Draft Prospectus, there has been no time and cost overruns in the Company.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS**

There have been no defaults or rescheduling of borrowings with any financial institutions / banks as on the date of this Draft Prospectus.

#### **ACQUISITION OF BUSINESS / UNDERTAKINGS**

We have not acquired any business / undertakings since incorporation.

#### **DIVESTMENT OF BUSINESS / UNDERTAKING BY COMPANY IN THE LAST TEN YEARS**

Our company has not divested any of its business / undertaking in last 10 years from the date of this Draft Prospectus.

#### **REVALUATION OF ASSETS IN THE LAST TEN YEARS**

There has been no revaluation of assets of our company in last 10 years from the date of this Draft Prospectus.

#### **HOLDING COMPANY, JOINT VENTURES & SUBSIDIARIES**

As on the date of this Draft Prospectus, there is no Holding Company, Joint Ventures or Subsidiary of our Company.

#### **THE AMOUNT OF ACCUMULATED PROFIT/ (LOSSES) NOT ACCOUNTED FOR BY OUR COMPANY**

There is no accumulated profit / (losses) not accounted for by our Company.

#### **SHAREHOLDERS' AGREEMENT**

There are no Shareholders' Agreements existing as on the date of this Draft Prospectus.

#### **FINANCIAL PARTNERS**

As on the date of this Draft Prospectus, apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

#### **OTHER AGREEMENTS**

One of our Promoter, Mrs. Deepthi Anand has entered into an Irrevocable Promoter Undertaking and Invention Assignment Agreement with our Company and Mr. Manish Turakhia. Further, except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement / contract as on the date of this Draft Prospectus.

#### **INJUNCTIONS OR RESTRAINING ORDERS**

There are no injunctions / restraining orders that have been passed against the company.

## OUR MANAGEMENT

### Board of Directors:

Our Company has six (6) Directors consisting of one (1) Managing Director, one (1) Executive Director, two (2) Non-Executive Directors and two (2) Non-Executive Independent Directors. The following table sets forth the details of our Board of Directors as on the date of this Draft Prospectus:

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<p><b>Mrs. Deepthi Anand</b> <i>(Managing Director)</i></p> <p><b>Date of Birth:</b> June 19, 1975</p> <p><b>Address:</b> Flat No. C-1004, Sterling Terraces, Outer Ring Road, BSK 3<sup>rd</sup> Stage, Bangalore - 560 085, Karnataka</p> <p><b>Date of Appointment as Director:</b> On Incorporation</p> <p><b>Date of Appointment as Managing Director:</b> April 19, 2018</p> <p><b>Term:</b> Appointed as Managing Director for a period of five years i.e. till April 18, 2023.</p> <p><b>Occupation:</b> Professional</p> <p><b>DIN:</b> 05246641</p>	Indian	44 Years	Nil
<p><b>Mr. Manish Turakhia</b> <i>(Chairman &amp; Non-Executive Director)</i></p> <p><b>Date of Birth:</b> June 24, 1966</p> <p><b>Address:</b> Flat No. 12, Shree Sadan CHS, Kirol Road, Cama Lane, Ghatkopar West, Mumbai - 400 086, Maharashtra</p> <p><b>Date of appointment as Additional Non-Executive Director:</b> December 18, 2017</p> <p><b>Date of appointment as Non Executive Director:</b> March 09, 2018</p> <p><b>Date of appointment as Chairman:</b> April 19, 2019</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 02265579</p>	Indian	53 Years	<ul style="list-style-type: none"> <li>• Veer Haria Securities Private Limited</li> <li>• Veer Capital Management Private Limited</li> </ul>
<p><b>Ms. Prabhha Shankarran</b> <i>(Executive Director)</i></p> <p><b>Date of Birth:</b> March 24, 1970</p>	Indian	49 Years	Nil

Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<p><b>Address:</b> B7-201, L&amp;T South City, Bannerghatta Road, Near Arekere Mico Layout, Bangalore - 560 076, Karnataka</p> <p><b>Date of appointment as Additional Executive Director:</b> December 18, 2017</p> <p><b>Date of appointment as Executive Director:</b> March 09, 2018</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 07906258</p>			
<p><b>Mr. Stavan Ajmera</b> (<i>Non Executive Director</i>)</p> <p><b>Date of Birth:</b> February 28, 1987</p> <p><b>Address:</b> B-404, Rahul Sky Building, Dev Nagar, New Sai Baba Nagar, Off Boraspada Road, Opp. Pawar Public School, Kandivali West, Mumbai - 400 067, Maharashtra</p> <p><b>Date of Appointment as Additional Non Executive Director:</b> April 19, 2018</p> <p><b>Date of appointment as Non Executive:</b> September 29, 2018</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>Occupation:</b> Professional</p> <p><b>DIN:</b> 08112696</p>	Indian	32 Years	Nil
<p><b>Mr. Haresh Sanghvi</b> (<i>Non-Executive Independent Director</i>)</p> <p><b>Date of Birth:</b> January 29, 1953</p> <p><b>Address:</b> A/6, Mazdock Apartment, 74/G, J P Road, 7 Bungalows, Andheri West, Mumbai - 400 061</p> <p><b>Date of Appointment as Additional Non Executive Independent Director:</b> December 18, 2017</p> <p><b>Date of Appointment as Non Executive Independent Director:</b> March 09, 2018</p> <p><b>Term:</b> Appointed as Non Executive Independent Director for a period of 5 years from December 18, 2017 to December 17, 2022</p> <p><b>Occupation:</b> Professional</p>	Indian	66 Years	<ul style="list-style-type: none"> <li>• Escorp Asset Management Limited</li> <li>• H P Sanghvi (OPC) Private Limited</li> </ul>



Name, Current Designation, Address, Occupation, Term and DIN	Nationality	Age	Other Directorships
<p><b>DIN:</b> 00006301</p> <p><b>Mr. Guhesh Ramanathan</b> (<i>Non Executive Independent Director</i>)</p> <p><b>Date of Birth:</b> April 06, 1964</p> <p><b>Address:</b> 2062, Sobha Daffodil, Sector 2, HSR Layout, Bengaluru - 560 102 Karnataka</p> <p><b>Date of Appointment as Additional Non Executive Independent Director:</b> April 19, 2018</p> <p><b>Date of appointment as Non Executive:</b> September 29, 2018</p> <p><b>Term:</b> Appointed as Non Executive Independent Director for a period of 5 years from April 19, 2018 to April 18, 2023</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 03579684</p>	Indian	55 Years	<ul style="list-style-type: none"> <li>• Excubator Consulting Private Limited</li> </ul>

For further details on their qualification, experience etc., please see their respective biographies under the heading “*Brief Biographies*” below:

**Notes:**

- None of the Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of the Directors is or was a director of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.
- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is categorized as a wilful defaulter, as defined under SEBI (ICDR) Regulations, 2018.
- None of the Promoters, or Directors has been or is involved as a promoters or director of any other Company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority

**RELATIONSHIP BETWEEN DIRECTORS**

None of Directors on our Board are related to each other.

---

## **BRIEF BIOGRAPHIES OF OUR DIRECTORS**

### **Mrs. Deepthi Anand**

Mrs. Deepthi Anand, aged 44 years is the Managing Director and founding promoter of our Company. She holds Masters of Science in Biomedical Engineering from Newark College of Engineering (New Jersey Institute of Technology), New Jersey, USA. She has around two decades of experience in biomedical field. In the past, she was associated with Scalene Technologies, Bangalore as Research Associate, Kessler Institute for Rehabilitation, New Jersey as Research Associate, Three Rivers, Arizona as Researcher, Asiatic Clinical Research, Bangalore as CCO Operations, Karle Group, Bangalore as Consultant Operations, Bioquest Global, Bangalore as Head of Clinical Research and Semler Research Centre as Associate Director of Business Development. She later founded our Company to develop and sell cutting edge nutrition products. Now as a Managing Director of our Company she has been guiding force behind the growth and business strategy of our Company.

### **Mr. Manish Turakhia**

Mr. Manish Turakhia, aged 53 years is Co-Promoter, Chairman and Non-Executive Director of our Company. He holds Bachelor's Degree of Commerce from University of Bombay. He has more than three decades of experience in capital market, corporate finance and investment banking. In 2015, he along with his wife Mrs. Meghna Turakhia formed Veer Value Ventures LLP. Currently, he is Director in Veer Capital Management Private Limited and Veer Haria Securities Private Limited.

### **Ms. Prabhha Shankarran**

Ms. Prabhha Shankarran, aged 49 years, is the Executive Director of our Company. She holds Master's Degree in Commerce from University of Pune. She also holds Diploma in Business Management from University of Pune and Post Graduate Diploma in Hospital Administration conducted by Apollo Hospitals Educational & Research Foundation (AHERF) and Medavarsity Online Limited, Hyderabad. She has also completed Advanced Diploma in Human Resource from Ajax Management Consultants Private Limited. She has around 3 decades of experience with about 13 years of experience in the field of human resources, operations and management and during her stint of 13 years she has been associated with many companies like 3P World Financial Limited, Fortis Hospitals Limited and Matrix Corporate Management Services Private Limited. She joined our Company as General Manager - Corporate Affairs in July, 2015 and was appointed as Director in December, 2017. As an Executive Director of our Company, she has been instrumental in overall functioning of HR department, Event Management and Public Relations of our Company.

### **Mr. Stavan Ajmera**

Mr. Stavan Ajmera, aged 32 years, is the Non-Executive Non-Independent Director of our Company. He holds Bachelor of Commerce degree from University of Mumbai. He is also a member of the Institute of Chartered Accountant of India having more than 9 years of experience in investment banking. He is currently employed as Vice-President, Investment Banking, Veer Capital Management Private Limited. As Non-Executive Director he is responsible for providing his expertise in general financial management of our Company.

### **Mr. Haresh Sanghvi**

Mr. Haresh Sanghvi, aged 66 years, is a Non-Executive Independent Director of our Company. He is a B.com, LLB, MBA and FCS by qualification. He has over 2 decades of industry experience having worked at senior executive positions at various entities including the Mariwala Group for a period of 7 years, Ajmera Group for a period of 5 years and the Khatau Group for a period of 7 years. After obtaining his Fellow Company Secretary registration in 2001, he has been a Practicing Company Secretary for the almost 20 years and has diversified experience servicing listed and unlisted Companies. Currently, he serves on the Board of unlisted and listed Companies. He brings his diversified experience, diverse views on the Board, helping company to foster Good Corporate Governance, adhere to applicable laws and follow best industry practices.

---

**Mr. Guhesh Ramanathan**

Mr. Guhesh Ramanathan, aged 55 years, is the Non-Executive Independent Director of our Company. He holds B. Tech degree in Electrical Engineering from Banaras Hindu University and Post Graduate Diploma in Management from Indian Institute of Management, Bangalore. He has around three decades of overall experience. In 2013, he founded Excubator Consulting Private Limited. In his professional career he has mentored over 500 start-ups and has also conducted innovation workshops for organisations like Honeywell, Oracle and Tata Group. As Non-Executive Independent Director he is responsible for providing his expertise in corporate governance matters.

**Borrowing Powers of our Board of Directors**

Our Company at its Extra-Ordinary General Meeting held on March 09, 2018 passed a resolution authorizing Board of Directors pursuant to the provisions of section 180 (1) (c) of the Companies Act, 2013 for borrowing from time to time any sum or sums of moneys which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in ordinary course of business) shall not exceed in the aggregate at any one time ₹ 25 Crores (Rupees Twenty Five Crores Only) irrespective of the fact that such aggregate amount of borrowings outstanding at any one time may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

**REMUNERATION OF EXECUTIVE DIRECTORS****Mrs. Deepthi Anand, Managing Director**

The compensation package payable to her as mutually agreed in the service document between our Company and Mrs. Deepthi Anand dated April 19, 2018 as mentioned hereunder:

**Salary:** Rs. 1,00,000/- (Rupees One Lakh) per month.

**Commission:** Commission will be allowed in addition to salary and perquisites, the amount of which based on the net profits of the Company in a particular year shall, be subject to the overall ceiling laid down in Companies Act, 2013. The amount of commission for each financial year or part thereof will be decided by the Board of Directors from time to time in its absolute discretion. Commission may be payable pro-rata on a monthly basis at the discretion of the Board of Directors.

**Perquisites:** Perquisites will be allowed in addition to salary and commission, restricted to an amount equal to the annual salary and the same shall be decided by the Board from time to time.

Remuneration paid to Mrs. Deepthi Anand for FY 2018-19 was ₹ 12 lakhs.

**Ms. Prabhha Shankarran, Executive Director**

The compensation package payable to her as resolved in the shareholders meeting held on April 30, 2018 is stated hereunder:

**Salary:** The total remuneration paid to Ms. Prabhha Shankarran, Executive Director, will be ₹ 6.33 lakhs p.a.

Remuneration paid to Ms. Prabhha Shankarran for FY 2018-19 was ₹ 4.86 lakhs.

**Compensation to the Non-Executive Directors and Non-Executive Independent Directors**

Pursuant to a resolution passed at the meeting of the Board of the Company on November 15, 2019 the Non-Executive Directors and Non-Executive Independent Directors will be paid ₹ 2,500 each for attending every Board Meeting of the Company & every committee meeting of the Company attended by them.

Remuneration paid to our Non-Executive Directors and Non-Executive Independent Director in FY 2018-19: Nil

**Shareholding of Directors**

The following table sets forth the shareholding of our Directors as on the date of this Draft Prospectus:

Name of Directors	No. of Equity Shares held	% of Pre-Issue Paid Up Capital
Mrs. Deepthi Anand	18,79,904	43.92%
Mr. Manish Turakhia	2,38,329	5.57%
Ms. Prabhha Shankarran	10,400	0.24%
Mr. Guhesh Ramanathan	3,900	0.09%
Mr. Stavan Ajmera	2,600	0.06%
<b>Total Holding of Directors</b>	<b>21,35,133</b>	<b>49.88%</b>
<b>Total Paid up Capital</b>	<b>42,80,341</b>	<b>100.00%</b>

### Interest of the Directors

Our Directors may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them on their holding of such shares and other distributions in respect of the aforesaid Equity Shares. For further details, refer to chapter titled “Annexure XXII - Related Party Transactions” and “Our Promoters and Promoter’s Group” beginning on page nos. 149 and 124 of this Draft Prospectus.

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or allotted to the companies in which they are interested as Directors, Members, and Promoters, pursuant to this issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated in this chapter titled “Our Management” and the chapter titled “Annexure XXII – Related Party Transactions” beginning on page nos. 111 and 149 of this Draft Prospectus respectively, our Directors do not have any other interest in our business.

Except as disclosed in “Properties” within the section titled “Our Business” on page no. 98 of this Draft Prospectus, our Directors have no interest in any property acquired or proposed to be acquired by our Company as on the date of this Draft Prospectus.

### Changes in the Board of Directors in the last three years

Following are the changes in our Board of Directors in the last three years:

Sr. No.	Name of Director	Date of Change	Reason for change
1.	Mr. Manish Turakhia	December 18, 2017	Appointment as Additional Non-Executive Director
2.	Ms. Prabhha Shankarran	December 18, 2017	Appointment as Additional Executive Director
3.	Mr. Haresh Sanghvi	December 18, 2017	Appointment as Additional Non-Executive Independent Director
4.	Mr. Manish Turakhia	March 09, 2018	Regularization as Non-Executive Director
5.	Ms. Prabhha Shankarran	March 09, 2018	Regularization as Executive Director
6.	Mr. Haresh Sanghvi	March 09, 2018	Regularization as Non-Executive Independent Director
7.	Mr. Venu Gopal Nambiar	March 09, 2018	Resignation as Director
8.	Mr. Rachel Kattukaran	March 09, 2018	Resignation as Director
9.	Mr. Rajkumar Elango	March 09, 2018	Resignation as Director
10.	Mrs. Deepthi Anand	April 19, 2018	Re-appointment as Managing Director
11.	Mr. Guhesh Ramanathan	April 19, 2018	Appointment as Additional Non-Executive Independent Director
12.	Mr. Stavan Ajmera	April 19, 2018	Appointment as Additional Non-Executive Director
13.	Mr. Manish Turakhia	April 19, 2018	Appointment as Chairman

Sr. No.	Name of Director	Date of Change	Reason for change
14.	Mr. Guhesh Ramanathan	September 29, 2018	Regularization as Non-Executive Independent Director
15.	Mr. Stavan Ajmera	September 29, 2018	Regularization as Non-Executive Director

### Corporate Governance

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including the constitution of our Board and committees thereof and formulation and adoption of various policies.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. The Board functions either as a full board or through various committees constituted to oversee specific operational areas.

Currently, our Board has six (6) Directors. In compliance with the requirements of the Companies Act we have one (1) Managing Director, one (1) Executive Director, two (2) Non-Executive Directors and two (2) Non-Executive Independent Directors. We have two (2) woman director on our Board.

### Committees of our Board

We have constituted the following committees of our Board of Directors for compliance with Corporate Governance requirements:

1. Audit Committee
2. Stakeholder's Relationship Committee
3. Nomination and Remuneration Committee

#### 1. Audit Committee

The Audit Committee of our Board was constituted by our Directors by a board resolution dated November 15, 2019 pursuant to section 177 of the Companies Act, 2013. The Audit Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Guhesh Ramanathan	Non Executive Independent Director	Chairman
Mr. Manish Turakhia	Chairman & Non Executive Director	Member
Mr. Haresh Sanghvi	Non Executive Independent Director	Member

The scope of Audit Committee shall include but shall not be restricted to the following:

- a) Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - 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
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions

- Qualifications in the draft audit report.
- e) Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- f) 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- m) 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.
- n) Discussion with internal auditors any significant findings and follow up there on.
- o) 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.
- p) 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.
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- r) To review the functioning of the Whistle Blower mechanism.
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

*The Audit Committee enjoys following powers:*

- a) To investigate any activity within its terms of reference
- b) To seek information from any employee

- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

*The Audit Committee shall mandatorily review the following information:*

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The Company Secretary of the Company acts as the Secretary to the Committee.

#### *Meeting of Audit Committee*

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present.

## **2. Stakeholder's Relationship Committee**

The Shareholder and Investor Grievance Committee of our Board were constituted by our Directors pursuant to section 178(5) of the Companies Act, 2013 by a board resolution dated November 15, 2019. The Shareholder and Investor Grievance Committee comprises of:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Stavan Ajmera	Non Executive Director	Chairman
Mr. Manish Turakhia	Chairman & Non Executive Director	Member
Mrs. Deepthi Anand	Managing Director	Member

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- a) Allotment and listing of our shares in future
- b) Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- c) Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- d) Reference to statutory and regulatory authorities regarding investor grievances;



- e) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- f) And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

The Company Secretary of the Company acts as the Secretary to the Committee.

***Quorum and Meetings***

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater.

**3. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of our Board was constituted by our Directors pursuant to section 178 of the Companies Act, 2013 by a board resolution dated November 15, 2019.

The Nomination and Remuneration Committee currently comprises of:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Guhesh Ramanathan	Non Executive Independent Director	Chairman
Mr. Haresh Sanghvi	Non Executive Independent Director	Member
Mr. Manish Turakhia	Chairman & Non Executive Director	Member

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

The Company Secretary of the Company acts as the Secretary to the Committee.

***Quorum and Meetings***

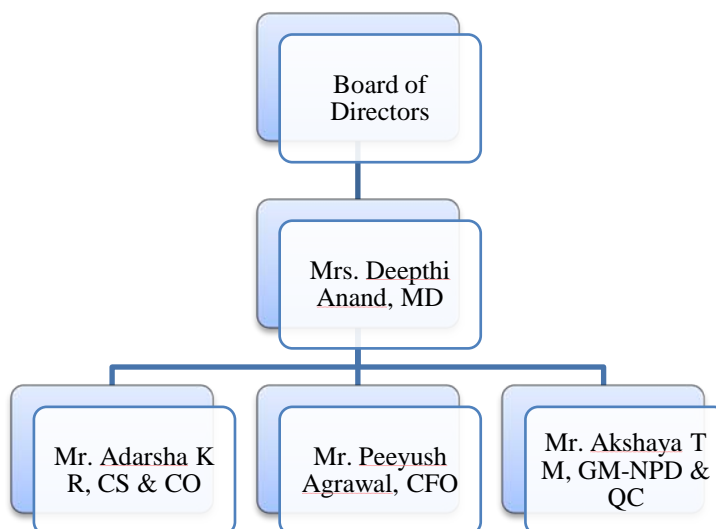
The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

## Policy on Disclosures & Internal procedure for prevention of Insider Trading

The provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.

## Management Organization Structure



### Terms & Abbreviations:

GM-NPD & QC	-	General Manager-New Product Development & Quality Control
MD	-	Managing Director
CFO	-	Chief Financial Officer
CS & CO	-	Company Secretary and Compliance Officer

### Key Managerial Personnel

The details of our key managerial personnel are as below:

Name of Employee	Designation	Date of Appointment	Compensation for Last Fiscal (₹ in lakhs)	Qualification	Name of Previous Employer(s)	Total years of Experience
Mr. Adarsha K R	Company Secretary and Compliance Officer	April 19, 2018	1.80	<ul style="list-style-type: none"> <li>• C.S.</li> <li>• B.Com</li> </ul>	<ul style="list-style-type: none"> <li>• Balakrishna Consulting LLP, Practicing Company Secretary</li> </ul>	3 Years (including Training)
Mr. Peeyush Agrawal <sup>(1)</sup>	Chief Financial Officer	November 7, 2017	13.20	<ul style="list-style-type: none"> <li>• M. Com.</li> <li>• C.A.</li> </ul>	<ul style="list-style-type: none"> <li>• Rahul Sharma &amp; Co.</li> <li>• B. Khosla &amp; Co.</li> <li>• Shree Govind Real Structure Private Limited</li> <li>• Trinity Beverages Private Limited</li> </ul>	10 Years (including Training)
Mr. Akshaya T M	General Manager-New Product	June 09, 2014	10.24	<ul style="list-style-type: none"> <li>• Master in Science, Micro</li> </ul>	<ul style="list-style-type: none"> <li>• TATA Chemicals Limited</li> <li>• British Biologicals</li> </ul>	9 Years

Name of Employee	Designation	Date of Appointment	Compensation for Last Fiscal (₹ in lakhs)	Qualification	Name of Previous Employer(s)	Total years of Experience
	Development & Quality Control			Biology • PG Diploma in Nutrition & Dietetics • PG Diploma in Fitness and Nutrition	• Karnataka Milk Federation	

<sup>(1)</sup> Mr. Peeyush Agrawal was initially appointed as Head-Finance and subsequently he was promoted to Chief Financial Officer position on April 19, 2018.

**Other Notes –**

The aforementioned KMP's are on the payrolls of our Company as permanent employees.

Also, they are not related parties as per the Accounting Standard 18.

**Relationship amongst the Key Managerial Personnel**

None of the aforementioned KMP's are related to each other.

**Arrangement / Understanding with Major Shareholders / Customers / Suppliers**

None of the KMPs have been selected pursuant to any arrangement / understanding with major shareholders / customers / suppliers.

**Shareholding of Key Managerial Personnel**

None of our KMP's hold any shares of our Company as on the date of this Draft Prospectus.

**Contingent and deferred compensation payable to our Director and Key Managerial Personnel**

There is no contingent or deferred compensation payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

**Interest of Key Managerial Personnel**

The Key Managerial Personnel of our Company do not have any interest in our Company, other than to the extent of remuneration of benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Further, if any Equity Shares are allotted to our Key Managerial Personnel prior to/ in terms of this Issue, they will be deemed to be interested to the extent of their shareholding and / or dividends paid or payable on the same.

**Bonus or Profit Sharing Plan for the Key Managerial Personnel during the last three years**

As on the date of filing of this Draft Prospectus, our Company does not have a bonus or a profit sharing plan with the Key Management Personnel nor have we proposed any allotment of equity shares by way of employee stock options.

**Employee Share Purchase and Employee Stock Option Scheme**

Presently, we do not have ESOP/ESPS scheme for employees.

**Payment or Benefit to our Key Managerial Personnel**

Except for the payment of salaries and yearly bonus, we do not provide any other benefits to our employees.

**Changes in the Key Managerial Personnel in the three years preceding the date of filing this Draft Prospectus**

There has been no change in KMPs in past three years from the date of this Draft Prospectus.


## OUR PROMOTER AND PROMOTER GROUP

### THE PROMOTERS OF OUR COMPANY ARE:

1. Mrs. Deepthi Anand;
2. Mr. Manish Turakhia;

As on the date of this Draft Prospectus, our Promoters hold 21,18,233 Equity Shares in aggregate, representing 49.49% of the issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, please see "Capital Structure –Shareholding of our Promoters" beginning on page no. 57 of this Draft Prospectus.

### The details of our Promoters are provided below:

<b>Mrs. Deepthi Anand</b>	
	<p>Mrs. Deepthi Anand, aged 44 years is the Managing Director and founding promoter of our Company. She holds Masters of Science in Biomedical Engineering from Newark College of Engineering (New Jersey Institute of Technology), New Jersey, USA. She has around two decades of experience in biomedical field. In the past, she was associated with Scalene Technologies, Bangalore as Research Associate, Kessler Institute for Rehabilitation, New Jersey as Research Associate, Three Rivers, Arizona as Researcher, Asiatic Clinical Research, Bangalore as CCO Operations, Karle Group, Bangalore as Consultant Operations, Bioquest Global, Bangalore as Head of Clinical Research and Semler Research Centre as Associate Director of Business Development. She later founded our Company to develop and sell cutting edge nutrition products. Now as a Managing Director of our Company she has been guiding force behind the growth and business strategy of our Company.</p>
	<b>Date of Birth:</b> June 19, 1975
	<b>Address:</b> Flat No. C-1004, Sterling Terraces, Outer Ring Road, BSK 3 <sup>rd</sup> Stage, Bangalore - 560 085, Karnataka
	<b>PAN:</b> AETPA5583M
	<b>Passport No.:</b> J0768326
	<b>Driver's License No.:</b> KA41 20100002203
	<b>Aadhar Card No.:</b> 8759 8824 6291
	<b>Bank A/c No.:</b> 01571000078091
	<b>Name of Bank &amp; Branch:</b> HDFC Bank Limited, Banashankari
	<b>Other Interests:</b> Nil
<b>Mr. Manish Turakhia</b>	
	<p>Mr. Manish Turakhia, aged 53 years is Co-Promoter, Chairman and Non-Executive Director of our Company. He holds Bachelor's Degree of Commerce from University of Bombay. He has more than three decades of experience in capital market, corporate finance and investment banking. In 2015, he along with his wife Mrs. Meghna Turakhia formed Veer Value Ventures LLP. Currently, he is Director in Veer Capital Management Private Limited and Veer Haria Securities Private Limited.</p>
	<b>Date of Birth:</b> June 24, 1966
	<b>Address:</b> Flat No. 12, Shree Sadan CHS, Kirol Road, Cama Lane, Ghatkopar West, Mumbai - 400 086, Maharashtra
	<b>PAN:</b> AAAPT3297N
	<b>Passport No.:</b> J5505761
	<b>Driver's License No.:</b> MH03 19910016557
	<b>Aadhar Card No.:</b> 5008 5252 8895
	<b>Bank A/c No.:</b> 002601009473
	<b>Name of Bank &amp; Branch:</b> ICICI Bank, Vallabh Baugh Lane, Ghatkopar Branch
	<b>Other Interests:</b> <ul style="list-style-type: none"> <li>• Veer Haria Securities Private Limited</li> <li>• Veer Capital Management Private Limited</li> <li>• Veer Value Ventures LLP</li> </ul>

<b>Mr. Manish Turakhia</b>	
	<ul style="list-style-type: none"> <li>• Arham Ventures</li> <li>• Ashit Alapi Ventures</li> <li>• Jash Ventures</li> <li>• JB Ventures</li> <li>• Sanghavi Ventures</li> <li>• Simran Ventures</li> <li>• Vishwa Vama Ventures</li> <li>• Ample Ventures</li> <li>• JMR Ventures</li> <li>• Jay Ketki Ventures</li> <li>• Harshit Ashit Ventures</li> <li>• Keena Paresh Ventures</li> <li>• Vita Ventures</li> <li>• Anakin Ventures</li> </ul>

*For further details on our Individual Promoters, please see the chapter titled “Our Management” beginning on page no. 111 of this Draft Prospectus.*

### **Other Undertakings and Confirmations**

We confirm that the Permanent Account Number, Bank Account Number, Passport Number of our Promoters will be submitted to the Stock Exchange at the time of filing of the Draft Prospectus with the Stock Exchange.

Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoters or members of our Promoter Group or any Group Companies in the past or are currently pending against them. None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoters, director or person in control, are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

### **Experience of our Promoters in the business of our Company**

For details in relation to experience of our Promoters in the business of our Company, see “Our Management” beginning on page no. 111 of this Draft Prospectus.

### **Interests of Promoters**

None of our Promoters / Directors have any interest in our Company except to the extent of compensation payable / paid and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details on the interest of our promoters in our Company, Please see the chapters titled “Capital Structure”, “Our Business”, “Financial Information” and “Our Management” beginning on page nos. 49, 85, 134 and 111 of this Draft Prospectus.

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

For Further details on the related party transaction, to the extent of which our Company is involved, please see “Annexure XXII - Statement of Related Party Transaction” on page no. 149 of this Draft Prospectus.

---

### **Interest of Promoters in the Promotion of our Company**

Our Company is currently promoted by the promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of her shareholding in our Company and the dividend declared, if any, by our Company.

### **Interest of Promoters in the Property of our Company**

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within three years preceding the date of this Draft Prospectus or proposed to be acquired by our Company as on the date of this Draft Prospectus except as mentioned in the para titled “*Properties*” in the chapter titled “*Our Business*” on page no. 98 of this Draft Prospectus. For details, please see “*Properties*” and “*Annexure XXII - Related Party Transactions*” on page nos. 98 and 149 respectively, of this Draft Prospectus.

Further, other than as mentioned in the chapter titled “*Our Business*” on page no. 85 of this Draft Prospectus our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

### **Interest of Promoters in our Company other than as Promoters**

Other than as Promoters, our Promoters are interested in our Company to the extent of their shareholding in our Company and the dividend declared, if any, by our Company. For details please see chapters titled “*Our Management*” and “*Capital Structure*” beginning on page nos. 111 and 49 respectively of this Draft Prospectus.

Except as mentioned in this section and the chapters titled “*Capital Structure*”, “*Our Business*”, “*History and Certain Corporate matters*” and “*Annexure XXII – Statement of Related Party Transactions*” on page nos. 49, 85, 107 and 149 of this Draft Prospectus, respectively, our Promoters do not have any interest in our Company other than as promoters.

### **Related Party Transactions**

Except as stated in the “*Annexure XXII – Statement of Related Party Transactions*” on page no. 149 of this Draft Prospectus, our Company has not entered into related party transactions with our Promoters.

### **Common Pursuits of Promoters and Promoter Group Company**

Our Company do not have any common pursuits with our Group Company and Promoter Group entities.

### **Payment of Amounts or Benefits to the Promoters or Promoter Group during the last two years**

Except as stated in “*Annexure XXII – Statement of Related Party Transactions*” under the section “*Financial Information*” on page no. 134 of this Draft Prospectus, there has been no other payment of benefits to our Promoters during the two years preceding the date of this Draft Prospectus.

### **Material Guarantees**

Except as stated in the chapter titled “*Financial Information*” beginning on page no. 134 of this Draft Prospectus respectively, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Prospectus.

### **Companies with which the Promoters have disassociated in the last three years**

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Draft Prospectus.

### **Outstanding Litigation**

There is no outstanding litigation against our Promoters except as disclosed in the section titled “*Risk Factors*” and chapter titled “*Outstanding Litigation and Material Developments*” beginning on page nos. 19 and 167 of this Draft Prospectus.



## Other Confirmations

Our Company has neither made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters is interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in the “Annexure XXII – Statement of Related Party Transactions” on page no. 149 of this Draft Prospectus.

## OUR PROMOTER GROUP

In addition to the Promoters named above, the following natural persons and entities form part of our Promoters Group in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulation, 2018.

### A. Natural Persons who are Part of the Promoter Group:

Name of the Promoter	Name of the Relative	Relationship with Promoter
<b>Mrs. Deepthi Anand</b>	Mr. P. R. Ananda Rao	Father
	Mrs. Indumathi Rao	Mother
	Mr. Sunil Boddapati	Husband
	Mr. Thejas Anand	Brother
	Mr. Sachit Sunil	Son
	Mr. B.V. Subba Rao	Husband’s Father
	Mrs. Kamakshi Piduru	Husband’s Mother
	Mr. Suresh Boddapati	Husband’s Brother
<b>Mr. Manish Turakhia</b>	Mr. Pravinchandra Turakhia	Father
	Mrs. Ranjanben Turakhia	Mother
	Mrs. Meghna Turakhia	Wife
	Mr. Hiren Turakhia	Brother
	Mr. Surendra Shah	Wife’s Father
	Mrs. Nalini Shah	Wife’s Mother
	Mr. Manish Shah	Wife’s Brother

### B. Companies / Corporate Entities forming part of the Promoter Group

The Companies / Trusts / Partnership firms / HUFs or Sole Proprietorships forming part of our Promoter Group:

Sr. No.	Name of Promoter Group Entity / Company
1.	Veer Haria Securities Private Limited
2.	Veer Capital Management Private Limited
3.	Veer Value Ventures LLP
4.	Chauhan Ventures LLP
5.	H M Arvindkumar Ventures LLP
6.	Arham Ventures
7.	Ashit Alapi Ventures
8.	Jash Ventures
9.	Sanghavi Ventures
10.	Simran Ventures
11.	Vishwa Vama Ventures
12.	Ample Ventures
13.	Jay Ketki Ventures
14.	Harshit Ashit Ventures
15.	Vita Ventures
16.	Anakin Ventures

### **Shareholding of the Promoter Group in our Company**

For details of shareholding of members of our Promoter Group as on the date of this Draft Prospectus, please see the chapter titled “*Capital Structure – Notes to Capital Structure*” beginning on page no. 50 of this Draft Prospectus.

## GROUP COMPANY

In accordance with the provisions of SEBI ICDR Regulations, as amended from time to time for the purpose of identification of Group Company, our Company has considered such companies with which there were related party transactions, during the period for which financial information is disclosed in this Draft Prospectus, as covered under the applicable accounting standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India and such other companies as considered material by our Board as our group company. Our Board has adopted a policy of materiality for determining the Group Company by passing a resolution at its meeting held on November 15, 2019 which is reproduced below:

### Policy of Materiality:

A company shall be considered material and will also be disclosed as a group company if:

- The companies which are members of the Promoter Group and
- With which our Company were in related party transactions in the most recent Fiscal and stub period for which Restated Financial Statements are included in this Draft Prospectus.

Consequently the following company have been identified as Group Company of our Company:

### I. DETAILS OF OUR GROUP COMPANY:

#### 1. VEER CAPITAL MANAGEMENT PRIVATE LIMITED (“VCMPL”)

<b>Incorporation</b>	Veer Capital Management Private Limited is a Private Company, incorporated on January 10, 1996.
<b>CIN</b>	U67190MH1996PTC096115
<b>Registration Number</b>	096115
<b>Registered Office</b>	601-A, Neelkanth Business Park, 6 <sup>th</sup> Floor, A Wing Nathani Road, Vidyavihar West, Mumbai - 400086
<b>Nature of Business</b>	VCMPL is engaged in investment Counsellors, Portfolio Advisers, Stock Exchange and research consultant, Brokers, Sub-Brokers, Share Registers, Transfer Agents, Underwriters, Public Issue Managers Project feasibility consultants.
<b>Registrar of Companies</b>	Registrar of Companies, Mumbai

### Main Objects

The main object of VCMPL is:

*“To carry on the business as investment Counsellors, Portfolio Advisers, Stock Exchange and research consultant, Brokers, Sub-Brokers, Share Registers, Transfer Agents, Underwriters, Public Issue Managers Project feasibility consultants.”*

### Interest of our Company, Promoters and Promoter Group

Our Promoter and Promoter Group hold 100.00% of shares in VCMPL.

### Board of Directors of VCMPL:

- Mr. Manish Turakhia;
- Mr. Pravinchandra Turakhia and
- Mrs. Meghna Turakhia

**Shareholding pattern of VCMPL as on March 31, 2019**

Name of Shareholders	No. of Equity Shares held	% of Total Paid-up Share Capital of the VCMPL
Mr. Manish Turakhia	8,500	85%
Mrs. Meghna Turakhia	1,500	15%
<b>Total</b>	<b>10,000</b>	<b>100.00%</b>

**Financial Information**

The following information has been derived from the audited financial statements/results of VCMPL for the last three financial years:

(₹ in lakhs)

Sr. No.	Particulars	As at March 31,		
		2019	2018	2017
1.	Share Capital	1.00	1.00	1.00
2.	Reserves (Excluding revaluation reserve) and Surplus	(102.01)	(83.35)	(60.89)
3.	Sales (including other income)	1.75	0.00	0.05
4.	Profit/(Loss) after tax	(18.66)	(22.46)	(24.43)
5.	Basic Earnings per share	(186.62)	(224.54)	(244.27)
6.	Diluted Earnings per Share	(186.62)	(224.54)	(244.27)
7.	Net Asset Value per Share	-	-	-

*There are no significant notes of the auditors in relation to the aforementioned financial statements.*

**Other Disclosures**

- The Equity Shares of VCMPL are not listed on any stock exchange;
- No application has been made to RoC for striking off the name of VCMPL.
- VCMPL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up. VCMPL has a negative net-worth and has incurred losses in the immediately preceding three years.
- VCMPL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities.
- There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against VCMPL.

**I. DETAILS OF OUR LOSS MAKING GROUP COMPANY**

Our Group Company Veer Capital Management Private Limited is a loss making Company. For details of Veer Capital Management Private Limited please refer para titled “*Details of our Group Company*” on page 129 of this Draft Prospectus.

**II. DETAILS OF OUR GROUP COMPANY WITH NEGATIVE NETWORTH**

Our Group Company Veer Capital Management Private Limited has Negative Network. For details of Veer Capital Management Private Limited please refer para titled “*Details of our Group Company*” on page 129 of this Draft Prospectus.

**Other Confirmations**

Except as disclosed in the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page no. 167 of this Draft Prospectus, there is no litigation, legal action, regulatory or disciplinary action pending or taken by any ministry, department of the Government, statutory authority or stock exchange during the last five years preceding the date of the Issue against our Group Company.

There have been no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs during past three years by our Group Company.

Further, no part of the Issue proceeds is payable to or proposed to be invested in VCMPL. The equity shares of VCMPL are not listed on any stock exchange. Hence, our Group Company have not failed to get listed on any recognized stock exchange in India or abroad. For further details, kindly refer chapter titled “*Other Regulatory and Statutory Disclosures*” on page no. 175 of this Draft Prospectus.

#### **Outstanding litigation involving the group company which has a material impact on the issuer**

Other than as disclosed in the chapter titled “*Outstanding Litigation and Material Developments*” beginning on page no. 167 of this Draft Prospectus, there are no pending litigations involving our Group Company having material impact on us.

#### **Group Company which are a sick industrial companies**

Our Group Company have not become sick companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1995.

#### **Defunct Group Company**

During the five years immediately preceding the date of this Draft Prospectus, our Group Company have not remained defunct and no application has been made to the relevant registrar of companies for striking off the name of our Group Company.

#### **Group Company under winding up/insolvency proceedings**

Our Group Company is not under winding up/insolvency proceedings.

#### **Common Pursuits between the Company and its Group Company**

There are no other common pursuits or conflict of interest situations between our Group Company and our Company.

Our Company will adopt the necessary procedures and practices as permitted or required by law to address any conflict of interest situation as and when it arises.

#### **Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company**

Other than the transactions disclosed in the para titled “*Annexure XXII - Related Party Transactions*” on page no. 149 of this Draft Prospectus, there are no other related business transactions within the Group Company.

#### **Sale/Purchase between Group Company and our Company**

Except as disclosed in the para titled “*Annexure XXII - Related Party Transactions*” beginning on page no. 149 of this Draft Prospectus, our Group Company is not involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate ten per cent of the total sales or purchases of our Company.

### **NATURE AND EXTENT OF THE INTEREST OF THE GROUP COMPANY IN OUR COMPANY**

#### **In the promotion of our Company**

Our Group Company does not have any interest in the promotion of our Company.

#### **In the properties acquired by our Company**

Our Group Company do not have any interest in the properties acquired by our Company within the three years of the date of filing this Information Memorandum or proposed to be acquired by our Company, except as disclosed in the chapter titled “*Our Business*” on page no. 85 of this Draft Prospectus.

---

**In transactions for acquisition of land, construction of building and supply of machinery**

Our Group Company does not have any interest in our Company in relation to transactions for acquisition of land, construction of building and supply of machinery, except as disclosed in the chapter titled “*Our Business*” on page no. 85 of this Draft Prospectus.

**Payment of amount or benefits to our Group Companies during the last two years**

Except as disclosed in the section “*Financial Information – Related Party Transactions*” beginning on page no. 134 of this Draft Prospectus, no amount or benefits were paid or were intended to be paid to our Group Companies since the incorporation of our Company except to the extent of their shareholding and the dividend payable, if any and other distributions in respect of the Equity Shares held by them.

---

## **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting. The shareholders of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

There are no dividends declared by our Company since incorporation.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.



## SECTION VI – FINANCIAL INFORMATION

### REPORT OF THE AUDITOR ON FINANCIAL STATEMENT

To,  
**The Board of Directors,**  
**Valencia Nutrition Limited**  
D. No. 134, 6th Main, 1st Block  
Banashankari, 3rd stage, Bangalore-560085

Dear Sir/Ma'am,

1. We have examined the attached Restated Financial Statement along with the significant accounting policies and related notes of Valencia Nutrition Limited (the 'Company') as at and for the period ended on June 30, 2019 and for the years ended on March 31, 2019, 2018, 2017 annexed to this report and prepared by the Company for the purpose of inclusion in the Offer Document in connection with its proposed Initial Public Offer ("IPO") on the BSE Startups Platform of BSE Limited ("BSE").
2. The said Restated Financial Statements and other Financial Information have been prepared in accordance with the requirements of:
  - i. Section 26 of Part I of Chapter III to the Companies Act, 2013("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - iii. The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Draft Prospectus /Prospectus being issued by the Company for its proposed IPO of equity shares on BSE Startups Platform of BSE Limited ("BSE"); and
  - iv. The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("Guidance Note").
3. The Restated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the period ended on June 30, 2019 and for the years ended on March 31, 2019, 2018, 2017.
4. In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
  - i. The "Restated Summary Statement of Assets and Liabilities" as set out in Annexure I to this report, of the Company as at June 30, 2019 and March 31, 2019, 2018 and 2017 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV & V to this Report.
  - ii. The "Restated Summary Statement of Profit and Loss" as set out in Annexure II to this report, of the Company for the period ended on June 30, 2019 and for the years ended on March 31, 2019, 2018, 2017 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV & V to this Report.
  - iii. The "Restated Summary Statement of Cash Flow" as set out in Annexure III to this report, of the Company for the period ended on June 30, 2019 and for the years ended on March 31, 2019, 2018, 2017 is prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts

as set out in Annexure IV & V to this Report.

5. Based on the above and also as per the reliance placed by us on the audited financial statements of the Company and report thereon given by the Statutory Auditor of the Company for the financial period ended June 30, 2019 and years ended on March 31, 2019, 2018, 2017, we are of the opinion that:
  - i. The Restated Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
  - ii. The Restated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments;
  - iii. Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
  - iv. There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial period ended on June 30, 2019 and years ended on March 31, 2019, 2018, 2017 which would require adjustments in this Restated Financial Statements of the Company;
  - v. Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in Annexure IV to this report;
  - vi. Adjustments in Restated Summary Statements have been made in accordance with the correct accounting policies,
  - vii. There was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements;
  - viii. There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;
  - ix. The Company has not paid any dividend since its incorporation.

**Opinion:**

6. In our opinion and to the best of information and explanation provided to us, the restated financial information of the Company, read with significant accounting policies and notes to accounts as appearing in Annexure IV are prepared after providing appropriate adjustments and regroupings as considered appropriate.
7. The information have been extracted from the financial statements for the period ended on June 30, 2019 and for the financial years ended on March 31, 2019, 2018, 2017 are audited by us, M/s. Balakrishna and Co., Chartered Accountant, being the Statutory Auditor of the Company for the respective period and years.
8. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial period ended on June 30, 2019 and years ended on March 31, 2019, 2018, 2017 proposed to be included in the Draft Prospectus/ Prospectus (“Offer Document”) for the proposed IPO.

**Annexure of Restated Financial Statements of the Company:-**

- i) Statement of Share Capital, as restated (Annexure - VI)
- ii) Statement of Reserves & Surplus, as restated (Annexure - VII)
- iii) Statement of Long Term Borrowings, as restated (Annexure- VIII)
- iv) Statement of Long Term Provisions, as restated (Annexure- IX)
- v) Statement of Short Term Borrowings, as restated (Annexure- X)
- vi) Statement of Trade Payable, as restated (Annexure- XI)
- vii) Statement of Other Current Liabilities, as restated (Annexure- XII)
- viii) Statement of Short Term Provisions, as restated (Annexure- XIII)

- ix) Statement of Property, Plants & Equipments, as restated (Annexure- XIV)
- x) Statement of Long Term Loans and advances, as restated (Annexure- XV)
- xi) Statement of Inventories, as restated (Annexure – XVI)
- xii) Statement of Trade Receivables, as restated (Annexure - XVII)
- xiii) Statement of Cash and Cash Equivalents, as restated (Annexure - XVIII)
- xiv) Statement of Short Term Loans and advances, as restated (Annexure- XIX)
- xv) Statement of Other Current Assets, as restated (Annexure - XX)
- xvi) Statement of Revenue from Operations, as restated (Annexure – XXI)
- xvii) Statement of Related Party Transactions, as restated (Annexure – XXII)
- xviii) Statement of Dividend Declared, As Restated (Annexure XXIII)
- xix) Statement of Contingent Liabilities, As Restated (Annexure XXIV)
- xx) Statement of Tax Shelter, as restated (Annexure XXV)

9. We, Balakrishna and Co., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.
10. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
11. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. In our opinion, the above financial information contained in Annexure I to XXV of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV & V are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
14. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For Balakrishna and Co,**  
**Chartered Accountants**  
(Firm Registration No.004835S)

**CA Kumar Prasad B.E**  
**Partner**  
Membership No: 204844

Place: Bengaluru  
Date: November 16, 2019  
UDIN: 19204844AAAAJH1059

**Annexure I**  
**STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>EQUITY AND LIABILITIES</b>				
<b>1.Shareholder's fund</b>				
a) Share Capital	29.34	27.64	24.84	19.34
b) Reserves and surplus	45.81	37.67	86.61	(121.92)
<b>Total Shareholder's Fund (1)</b>	<b>75.15</b>	<b>65.31</b>	<b>111.45</b>	<b>(102.58)</b>
<b>2. Non-Current liabilities</b>				
a) Long Term Borrowings	65.54	18.04	18.04	99.29
b) Long Term Provisions	6.13	5.49	4.21	2.28
<b>Total (2)</b>	<b>71.67</b>	<b>23.53</b>	<b>22.25</b>	<b>101.57</b>
<b>3.Current liabilities</b>				
a) Short-term borrowings	13.84	-	-	-
b) Trade payables	31.97	20.86	9.96	21.24
c) Other current liabilities	44.63	29.52	17.52	12.44
d) Short Term Provisions	2.61	2.02	0.19	0.14
<b>Total (3)</b>	<b>93.05</b>	<b>52.40</b>	<b>27.67</b>	<b>33.82</b>
<b>TOTAL(1+2+3)</b>	<b>239.87</b>	<b>141.25</b>	<b>161.37</b>	<b>32.81</b>
<b>ASSETS</b>				
<b>1.Non - Current Assets</b>				
a) Property, plant & equipment				
i.) Tangible assets	131.69	11.32	9.46	9.17
ii.) Intangible assets	-	-	-	-
b) Long Term Loans & Advances	9.58	11.46	3.18	4.08
<b>Total (1)</b>	<b>141.27</b>	<b>22.78</b>	<b>12.64</b>	<b>13.25</b>
<b>2.Current Assets</b>				
a) Inventories	45.61	37.31	15.09	10.26
b) Trade Receivables	9.23	13.20	1.61	7.89
c) Cash and Cash equivalents	4.81	25.75	114.67	0.43
d) Short Term Loans & Advances	38.95	42.12	17.25	0.98
e) Other current assets	-	0.09	0.10	-
<b>Total (2)</b>	<b>98.60</b>	<b>118.47</b>	<b>148.73</b>	<b>19.56</b>
<b>TOTAL(1+2)</b>	<b>239.87</b>	<b>141.25</b>	<b>161.37</b>	<b>32.81</b>

**Annexure II**  
**STATEMENT OF PROFIT AND LOSS, AS RESTATED**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>INCOME:</b>				
Revenue from operations	93.30	141.66	41.28	73.20
Other Income	0.01	7.81	1.27	0.51
<b>Total Income</b>	<b>93.31</b>	<b>149.47</b>	<b>42.55</b>	<b>73.71</b>
<b>EXPENSES:</b>				
Cost of material consumed	25.01	70.48	49.55	53.11
Purchases of stock in trade	8.78			
Changes in Inventories of finished goods, work-in-progress and stock in trade	(0.51)	(7.41)	(6.10)	4.64
Employee benefit expenses	45.36	136.15	52.31	57.64
Finance costs	0.86	-	2.04	-
Depreciation	2.35	6.45	5.63	4.27
Other Expenses	103.62	157.94	55.08	100.55
<b>Total expenses</b>	<b>185.47</b>	<b>363.61</b>	<b>158.52</b>	<b>220.21</b>
<b>Profit before Prior period item, exceptional item, extraordinary items and tax</b>	<b>(92.16)</b>	<b>(214.14)</b>	<b>(115.97)</b>	<b>(146.50)</b>
Prior period items	-	-	-	-
<b>Profit before exceptional item, extraordinary items and tax</b>	<b>(92.16)</b>	<b>(214.14)</b>	<b>(115.97)</b>	<b>(146.50)</b>
Exceptional items	-	-	-	-
<b>Profit before extraordinary items and tax</b>	<b>(92.16)</b>	<b>(214.14)</b>	<b>(115.97)</b>	<b>(146.50)</b>
Extraordinary items	-	-	-	-
<b>Net Profit /(Loss) before tax</b>	<b>(92.16)</b>	<b>(214.14)</b>	<b>(115.97)</b>	<b>(146.50)</b>
<b>Less: Tax expense</b>				
Current tax	-	-	-	-
Deferred tax (assets)/ liabilities	-	-	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net profit / ( loss ) after tax</b>	<b>(92.16)</b>	<b>(214.14)</b>	<b>(115.97)</b>	<b>(146.50)</b>

**Annexure III**  
**CASH FLOW STATEMENT, AS RESTATED**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>Cash Flow From Operating Activities</b>				
Net Profit before tax and after extra-ordinary items	(92.16)	(214.14)	(115.97)	(146.50)
<b>Adjustments for items:</b>				
Depreciation and amortisation expense	2.35	6.45	5.63	4.27
Loss (Profit) on Sale of Assets	-	0.18	0.00	-
Interest Income	(0.00)	(7.81)	(1.27)	-
Bad debts/advances written off & provision made	5.43	1.81	1.80	0.66
Finance Cost	0.40	-	2.04	-
<b>Operating Profit Before Working Capital Adjustments</b>	<b>(83.99)</b>	<b>(213.51)</b>	<b>(107.75)</b>	<b>(141.56)</b>
<b>Adjustment for Changes in Working Capital</b>				
(Increase) / decrease in trade receivables	(1.46)	(13.39)	4.47	7.58
(Increase) / decrease in Long Term Loans and advances	4.58	(8.28)	0.90	-
(Increase) / decrease in Short Term Loans and advances	3.04	(24.09)	(16.14)	(0.24)
Increase / (decrease) in inventories	(8.30)	(22.21)	(4.83)	9.34
Increase / (decrease) in other current assets	-	-	-	-
Increase / (decrease) in trade payable	11.11	10.89	(11.27)	9.86
Increase / (decrease) in other current liabilities	13.39	12.00	5.08	2.69
Increase / (decrease) in Long Term provisions	0.64	1.28	1.93	(0.06)
Increase / (decrease) in Short term Provisions	0.58	1.84	0.04	0.14
<b>Cash Flow Generated from Operations</b>	<b>(60.42)</b>	<b>(255.47)</b>	<b>(127.58)</b>	<b>(112.26)</b>
Direct taxes paid	(0.13)	0.78	0.13	-
<b>Net Cash flow from Operating Activities (A)</b>	<b>(60.29)</b>	<b>(256.25)</b>	<b>(127.71)</b>	<b>(112.26)</b>
<b>Cash Flow From Investing Activities</b>				
Purchase of Property, plant & equipment	(123.89)	(8.49)	(5.94)	(5.22)
Sale of Property, plant & equipment	-	-	0.01	-
Interest received	0.10	7.82	1.16	-
Profit on Sale of Assets	-	-	-	-
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(123.79)</b>	<b>(0.67)</b>	<b>(4.76)</b>	<b>(5.22)</b>
<b>Cash Flow From Financing Activities</b>				
Issue of Share Capital	1.70	2.80	5.50	13.82
Share premium	100.30	165.20	324.50	9.88
Net proceeds from short term borrowings	66.50	57.30	57.30	90.84
Borrowings repaid	(5.16)	(57.30)	(138.55)	-
Interest paid	(0.21)	-	(2.04)	(0.02)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>163.13</b>	<b>168.00</b>	<b>246.71</b>	<b>114.52</b>
<b>Net Cash Flow during the year ( A + B + C )</b>	<b>(20.95)</b>	<b>(88.92)</b>	<b>114.24</b>	<b>(2.96)</b>
Cash & Cash equivalent at the beginning of the year	25.75	114.67	0.43	3.39
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<b>4.81</b>	<b>25.75</b>	<b>114.67</b>	<b>0.43</b>

## ANNEXURE IV

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### 1. Corporate Information

Valencia Nutrition Limited ('the Company'), headquartered in Bangalore, Karnataka, India, was incorporated on 1st April, 2013. The company is engaged in the business of developing, manufacturing, sale & distribution of nutraceutical products.

#### 2. Significant Accounting Policies

##### a. Basis of preparation of Financial Statements

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

##### b. Use of estimates

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

##### c. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period.

##### d. Cash and cash equivalents

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

##### e. Property, Plant & Equipment

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

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

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future



economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost incurred on assets yet to be available for use as at the end of the reporting period is disclosed as “Capital Work in Progress”. Depreciation is charged from the time asset is available for use. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

#### **f. Depreciation and Amortization**

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

#### **g. Revenue Recognition**

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

#### **h. Inventories**

Inventories of traded goods are valued at cost or net realizable value whichever is lower. Net realizable value is the estimated selling price in the ordinary course less the estimated cost of completion and the estimated costs necessary to make the sale.

#### **i. Foreign currency transactions**

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences except those qualifying for hedge accounting are recognized in the Statement of Profit and Loss.

#### **j. Retirement and other benefits to employees**

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

The employees’ gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on actuarial valuation carried out by an independent actuary using Projected Unit Credit (PUC) method. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss. Past service cost is recognized as an expense on a straight line basis over the average period until the benefit becomes vested. To the extent the benefits are already vested past service cost is recognized immediately

#### **k. Taxes**

- i. Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of ten succeeding assessment years.
- ii. Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognized only when there is a virtual certainty of their realization. Other deferred tax assets are recognized only when there is a reasonable certainty of their realization.

## l. Impairment

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at appropriate discount rates. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

## m. Earnings Per Share:

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

## n. Provisions and Contingent Liabilities

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

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

## o. Segment Reporting

The Company is engaged in the business of non-alcoholic nutrition based beverages. The risks and returns of the Company are predominantly determined by its principal product and the Company's activities fall within a single business segment. The geographical segment information is disclosed based on the location of the customers.

### ➤ Business segment

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

### ➤ Geographical segments

The Company's secondary segments are geographic distribution of activities. Revenue and receivables are specified by location of customers while the other geographic information is specified by location of the assets. The following table presents revenue and asset information regarding the Company's geographical segments:

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<u>Revenue:</u>				
➤ India	93.30	120.76	41.28	73.20
➤ Others	-	20.89	-	-
<b>Total</b>	<b>93.30</b>	<b>141.65</b>	<b>41.28</b>	<b>73.20</b>
<u>Assets:</u>				
➤ India	239.87	141.25	161.37	32.81
➤ Others	-	-	-	-
<b>Total</b>	<b>239.87</b>	<b>141.25</b>	<b>161.37</b>	<b>32.81</b>
<u>Capital expenditure:</u>				
➤ India	122.72	8.49	5.94	5.22
➤ Others	-	-	-	-
<b>Total</b>	<b>122.72</b>	<b>8.49</b>	<b>5.94</b>	<b>5.22</b>

**Annexure V**  
**NOTES TO ACCOUNTS**
**1. Director Remuneration**
*(₹ in lakhs)*

Particulars	Period ended June 30, 2019	Year ended March 31,		
		2019	2018	2017
Director Remuneration	4.58	16.86	13.33	18.00

**2. Remuneration to Auditors**
*(₹ in lakhs)*

Particulars	Period ended June 30, 2019	Year ended March 31,		
		2019	2018	2017
Audit Fees	-	0.77	0.70	0.70

**3. Information regarding Foreign Exchange earnings and expenditure**
*(₹ in lakhs)*

Particulars	Period ended June 30, 2019	Year ended March 31,		
		2019	2018	2017
Earning in Foreign Exchange	-	20.89	-	-
Expenditure in Foreign Exchange	-	-	-	-

- The company has not received any intimation from supplier regarding their status under micro, small and medium enterprises development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the period end together with interest payable as required under the said Act have not furnished.
- The Management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.
- There is no Auditor's Qualification in any of the audited Financial Statements as at and for the period ended June 30, 2019 and for the financial years ended on March 31, 2019, 2018 and 2017.

**ADJUSTMENTS MADE IN RESTATED FINANCIAL STATEMENTS / REGROUPING NOTES**
**Adjustments not having impact on profit**

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

**Annexure VI**  
**STATEMENT OF SHARE CAPITAL, AS RESTATED**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>Authorised Share Capital :</b>				
55,00,000 Equity Shares of Rs. 10/- Each	550.00	550.00	550.00	-
2,50,000 Equity Shares of Rs. 10/- Each	-	-	-	25.00
<b>Total</b>	<b>550.00</b>	<b>550.00</b>	<b>550.00</b>	<b>25.00</b>
<b>Issued Subscribed and Paid Up Capital:</b>				
2,93,407 Equity Shares of Rs.10/- each, Fully Paid up share capital by allotment	29.34	-	-	-
2,76,407 Equity Shares of Rs.10/- each, Fully Paid up share capital by allotment	-	27.64	-	-
2,48,407 Equity Shares of Rs.10/- each, Fully Paid up share capital by allotment	-	-	24.84	-
1,93,407 Equity Shares of Rs.10/- each, Fully Paid up share capital by allotment	-	-	-	19.34
<b>Total</b>	<b>29.34</b>	<b>27.64</b>	<b>24.84</b>	<b>19.34</b>

**Reconciliation of number of equity shares outstanding:**

Particulars	Period ended June 30, 2019	Year ended March 31,		
		2019	2018	2017
<b>Equity Shares</b>				
At the beginning of the period	2,76,407	2,48,407	1,93,407	55,188
Add:- Addition during the period	17,000	28,000	55,000	1,38,219
Less: Shares bought back during the period	-	-	-	-
<b>Shares outstanding at the end of the period</b>	<b>2,93,407</b>	<b>2,76,407</b>	<b>2,48,407</b>	<b>1,93,407</b>

**Details of Equity Shareholders holding more than 5% shares**

Name of Shareholder	As at June 30, 2019		As at March 31,					
	No. of Shares held	% of Holding	2019		2018		2017	
			No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Deepthi Anand	1,44,608	49.29%	1,44,608	52.32%	1,44,608	58.21%	1,44,608	74.77%
Manish Turakhia	18,333	6.25%	18,333	6.63%	18,333	7.38%	-	-
Veer Value Ventures LLP	17,000	5.79%	-	-	-	-	-	-
Chauhan Ventures LLP	17,000	5.79%	17,000	6.15%	-	-	-	-
Rajkumar Elango	13,879	4.73%	13,879	5.02%	13,879	5.59%	13,879	7.18%
Venu Gopal Nambiar	13,835	4.72%	13,835	5.01%	13,835	5.57%	13,835	7.15%
Rachel Kattukaran	13,835	4.72%	13,835	5.01%	13,835	5.57%	13,835	7.15%
<b>Total</b>	<b>2,38,490</b>	<b>81.29%</b>	<b>2,21,490</b>	<b>80.14%</b>	<b>2,04,490</b>	<b>82.32%</b>	<b>1,86,157</b>	<b>96.25%</b>

**Rights, preferences and restrictions attached to shares:**

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**Annexure VII**  
**STATEMENT OF RESERVES AND SURPLUS**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>A. Surplus</b>				
Opening balance of Statement of Profit & Loss	(783.39)	(569.25)	(453.29)	(306.79)
Add / (Less): Additions during the period	(92.16)	(214.14)	(115.97)	(146.50)
<b>Closing Balance</b>	<b>(875.55)</b>	<b>(783.39)</b>	<b>(569.25)</b>	<b>(453.29)</b>
<b>B. Securities Premium</b>				
Opening balance	821.06	655.86	331.36	321.48
Add: Premium on shares issued during the period	100.30	165.20	324.50	9.88
Less: Utilized for Bonus Issue	-	-	-	-
<b>Closing Balance</b>	<b>921.36</b>	<b>821.06</b>	<b>655.86</b>	<b>331.36</b>
<b>Total</b>	<b>45.81</b>	<b>37.67</b>	<b>86.61</b>	<b>(121.92)</b>

**Annexure VII**  
**STATEMENT OF LONG TERM BORROWINGS, AS RESTATED**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>UNSECURED LOAN</b>				
From Directors	65.54*	18.04*	18.04	99.29
<b>Total</b>	<b>65.54</b>	<b>18.04</b>	<b>18.04</b>	<b>99.29</b>

\* Includes amount outstanding from erstwhile directors amounting to ₹ 18.04 lakhs (i.e. they were directors during the tenure when the loan was acquired i.e. FY 17-18).

**Annexure IX**  
**STATEMENT OF LONG TERM PROVISIONS, AS RESTATED**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
Provision for compensated absences	1.10	0.77	-	-
Gratuity provision	5.03	4.73	4.21	2.28
<b>Total</b>	<b>6.13</b>	<b>5.49</b>	<b>4.21</b>	<b>2.28</b>

**Annexure X**  
**STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>Loans repayable on demand (unsecured)</b>				
From Bank	13.84	-	-	-
<b>Total</b>	<b>13.84</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Details of Terms & Conditions of Loan from HDFC Bank Ltd.**

(₹ in lakhs)

Name of lender	Type of loan	Date of Sanction	Amount of Sanction	Amount Outstanding as on June 30, 2019	Interest
HDFC Bank	Business Loan	30-06-2019	15.00	13.84	16.50%

**Annexure XI**  
**STATEMENT OF TRADE PAYABLE, AS RESTATED**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>Sundry Creditors for Goods &amp; Services other than MSME(s)</b>				
Promoter/promoter group	-	-	-	-
Others	31.97	20.86	9.96	21.24
<b>Total</b>	<b>31.97</b>	<b>20.86</b>	<b>9.96</b>	<b>21.24</b>

**Annexure XII**  
**STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
Statutory remittances payable	1.98	2.20	0.23	2.08
Payables on purchase of fixed assets	1.53	-	-	-
Interest accrued and due on borrowings	0.19	-	-	-
Accrued Expenses	35.80	25.18	17.29	10.36
Advances from customers	5.12	2.14	-	-
<b>Total</b>	<b>44.63</b>	<b>29.52</b>	<b>17.52</b>	<b>12.44</b>

**Annexure XIII**  
**STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>Others</b>				
Provision for gratuity	0.88	0.86	0.19	0.14
Provision for compensated absences	1.73	1.17	-	-
<b>Total</b>	<b>2.61</b>	<b>2.02</b>	<b>0.19</b>	<b>0.14</b>

**Annexure XIV**  
**STATEMENT OF PROPERTY, PLANT & EQUIPMENTS, AS RESTATED**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>Tangible Assets</b>				
<b>LAND</b>				
Gross Block	-	-	-	-
Addition during the year	106.65	-	-	-
Reduction during the year	-	-	-	-
Depreciation during the year	-	-	-	-
Accumulated Depreciation	-	-	-	-
<b>Closing Balance (Net Block)</b>	<b>106.65</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PLANT &amp; EQUIPMENT</b>				
Gross Block	1.43	1.43	1.43	1.43
Addition during the year	15.50	-	-	-
Reduction during the year	-	-	-	-
Depreciation during the year	(0.73)	(0.17)	(0.20)	(0.25)
Accumulated Depreciation	(1.41)	(0.68)	(0.52)	(0.31)
<b>Closing Balance (Net Block)</b>	<b>15.52</b>	<b>0.75</b>	<b>0.92</b>	<b>1.12</b>
<b>COMPUTER &amp; IT EQUIPMENTS</b>				

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
Gross Block	2.35	2.60	2.51	2.51
Addition during the year	-	0.46	0.09	-
Reduction during the year	-	(0.71)	-	-
Depreciation during the year	(0.05)	(0.15)	(0.10)	(0.28)
Depreciation on disposal	-	(0.70)	-	-
Accumulated Depreciation	(1.96)	(1.91)	(2.46)	(2.37)
<b>Closing Balance (Net Block)</b>	<b>0.39</b>	<b>0.44</b>	<b>0.13</b>	<b>0.14</b>
<b>FURNITURE &amp; FITTINGS</b>				
Gross Block	4.48	5.15	5.15	5.15
Addition during the year	-	-	-	-
Reduction during the year	-	(0.67)	-	-
Depreciation During the year	(0.07)	(0.41)	(0.56)	(0.76)
Depreciation on disposal	-	(0.51)	-	-
Accumulated Depreciation	(3.53)	(3.46)	(3.56)	(3.00)
<b>Closing Balance (Net Block)</b>	<b>0.95</b>	<b>1.02</b>	<b>1.60</b>	<b>2.16</b>
<b>OFFICE EQUIPMENT</b>				
Gross Block	1.54	1.27	1.29	1.21
Addition during the year	-	0.36	0.06	0.07
Reduction during the year	-	(0.09)	(0.08)	-
Depreciation During the year	(0.04)	(0.27)	(0.15)	(0.26)
Depreciation on disposal	-	(0.08)	(0.07)	-
Accumulated Depreciation	(1.27)	(1.23)	(1.04)	(0.96)
<b>Closing Balance (Net Block)</b>	<b>0.27</b>	<b>0.31</b>	<b>0.23</b>	<b>0.33</b>
<b>MOULDS, TOOLS &amp; CYLINDERS</b>				
Gross Block	21.79	17.73	11.97	6.83
Addition during the year	0.57	4.06	5.76	5.14
Reduction during the year	-	-	-	-
Depreciation During the year	(0.91)	(5.43)	(4.60)	(2.72)
Accumulated Depreciation	(17.48)	(16.57)	(11.14)	(6.55)
<b>Closing Balance (Net Block)</b>	<b>4.88</b>	<b>5.22</b>	<b>6.59</b>	<b>5.43</b>
<b>LABORATORY EQUIPMENT</b>				
Gross Block	0.17	0.07	0.04	0.04
Addition during the year	-	0.11	0.03	-
Reduction during the year	-	-	-	-
Depreciation During the year	(0.01)	(0.02)	(0.03)	-
Accumulated Depreciation	(0.09)	(0.08)	(0.07)	(0.04)
<b>Closing Balance (Net Block)</b>	<b>0.08</b>	<b>0.09</b>	-	-
<b>Vehicle</b>				
Gross Block	3.50	-	-	-
Addition during the year	-	3.50	-	-
Reduction during the year	-	-	-	-
Depreciation During the year	(0.55)	(0.01)	-	-
Accumulated Depreciation	(0.56)	(0.01)	-	-
<b>Closing Balance (Net Block)</b>	<b>2.94</b>	<b>3.49</b>	-	-
<b>Total Tangible Assets (Gross Block)</b>	<b>157.99</b>	<b>35.27</b>	<b>28.25</b>	<b>22.39</b>
<b>Total Intangible Assets (Gross Block)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
Accumulated Depreciation	(26.29)	(23.95)	(18.79)	(13.22)
Net Tangible Asset (Net Block)	131.69	11.32	9.46	9.17
Net Intangible Asset (Net Block)	-	-	-	-

**Annexure XV**  
**STATEMENT OF LONG TERM LOANS & ADVANCES, AS RESTATED**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
Security Deposits- Properties	4.10	4.10	3.00	4.00
Security Deposits- Others	2.78	7.36	0.18	0.08
Capital advances	2.70	-	-	-
<b>Total</b>	<b>9.58</b>	<b>11.46</b>	<b>3.18</b>	<b>4.08</b>

**Annexure XVI**  
**STATEMENT OF INVENTORIES, AS RESTATED**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
Raw materials	31.39	23.60	8.79	10.06
Finished Goods	14.22	13.71	6.30	0.20
<b>Total</b>	<b>45.61</b>	<b>37.31</b>	<b>15.09</b>	<b>10.26</b>

**Annexure XVII**  
**STATEMENT OF TRADE RECEIVABLES, AS RESTATED**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>Outstanding for more than six months</b>				
a) Secured, Considered Good :	-	-	-	-
b) Unsecured, Considered Good :	1.40	3.10	0.36	1.58
c) Doubtful	3.63	0.66	1.80	-
Less: Provision for Doubtful debts	(3.63)	(0.66)	(1.80)	-
<b>Total</b>	<b>1.40</b>	<b>3.10</b>	<b>0.36</b>	<b>1.58</b>
<b>Others (Less Than Six Months)</b>				
a) Secured, Considered Good :	-	-	-	-
b) Unsecured, Considered Good :	7.83	10.42	1.26	6.31
c) Doubtful	3.03	0.38	-	-
Less: Provision for Doubtful debts	(3.03)	(0.70)	-	-
<b>Total</b>	<b>7.83</b>	<b>10.10</b>	<b>1.26</b>	<b>6.31</b>
<b>TOTAL</b>	<b>9.23</b>	<b>13.20</b>	<b>1.61</b>	<b>7.89</b>

**Annexure XVIII**  
**STATEMENT OF CASH & CASH EQUIVALENTS, AS RESTATED**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>Cash &amp; Cash Equivalents</b>				
Cash-in-Hand	0.12	0.00	0.02	0.02
Bank Balance	2.92	4.63	34.65	0.42

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
Fixed Deposit	-	21.12	80.00	-
Balances with banks held as margin money or security	1.78	-	-	-
<b>Total</b>	<b>4.81</b>	<b>25.75</b>	<b>114.67</b>	<b>0.43</b>

**Annexure XIX**  
**STATEMENT OF SHORT TERM LOANS AND ADVANCES, AS RESTATED**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>(Unsecured, considered good unless otherwise specified)</b>				
Loans and advances to employees	-	-	0.18	0.06
Advances income tax & TDS, net of provisions	0.78	0.78	0.13	-
Advances to Vendors	7.65	21.40	10.74	0.75
Prepaid Expense	0.08	0.01	0.20	0.05
Receivables from Government authorities	30.44	19.93	6.01	0.12
<b>Total</b>	<b>38.95</b>	<b>42.12</b>	<b>17.25</b>	<b>0.98</b>

**Annexure XX**  
**STATEMENT OF OTHER CURRENT ASSETS, AS RESTATED**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
Interest accrued	-	0.09	0.10	-
<b>Total</b>	<b>-</b>	<b>0.09</b>	<b>0.10</b>	<b>-</b>

**Annexure XXI**  
**STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED**

(₹ in Lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>Sale of Products</b>				
Export sales - finished goods	-	20.89	-	-
Domestic sales - finished goods	83.78	109.55	24.22	73.15
Domestic sales - stock in trade	9.53	-	-	-
Domestic sales - others	-	11.21	17.06	-
Other operating revenue	-	-	-	0.05
<b>Total</b>	<b>93.30</b>	<b>141.66</b>	<b>41.28</b>	<b>73.20</b>

**Annexure XXII**  
**STATEMENT OF RELATED PARTY TRANSACTIONS, AS RESTATED**

As per Accounting Standard 18 on related party disclosure issue by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

(i) Key Managerial Personnel

For the period ended June 30, 2019	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Deepthi Anand	Deepthi Anand	Deepthi Anand	Deepthi Anand
Manish Turakhia	Manish Turakhia	Manish Turakhia	-
Prabhha Shankarran	Prabhha Shankarran	Prabhha Shankarran	-
Stavan Pravin Ajmera	Stavan Pravin Ajmera	-	-
Peeyush Agrawal	Peeyush Agrawal	-	-

For the period ended June 30, 2019	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Adarsha K R	Adarsha K R	-	-
-	-	Rajkumar Elango	Rajkumar Elango
-	-	Venu Gopal Nambiar	Venu Gopal Nambiar
-	-	Rachel Kattukaran	Rachel Kattukaran
-	-	Haresh Sanghvi	-

(ii) Associates / Enterprises over which directors and / or their relatives has significant influence

For the period ended June 30, 2019	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Chauhan Ventures LLP	Chauhan Ventures LLP	-	-
Veer Value Ventures LLP	Veer Value Ventures LLP	-	-
Veer Capital Management Private Limited	Veer Capital Management Private Limited	-	-
-	-	Arham Ventures	-
-	-	Ample Ventures	-
-	-	Ashit Alapi Ventures	-
-	-	Vishwa Vama Ventures	-
-	-	Jash Ventures	-
-	-	Sanghavi Ventures	-

(iii) Particulars of Transactions with Related Parties

#### Key Management Personnel & Relatives

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>1) Finance</b>				
<b>Loans Taken</b>				
Loan taken during the period	51.50	-	57.30	97.04
Repaid during the period	(4.00)	-	(138.55)	(2.75)
<b>2) Conversion of Liability to Share Capital</b>				
Loan	-	-	-	3.46
Remuneration	-	-	-	10.29
<b>3) Money Received towards Share Capital (including premium)</b>	-	-	110.00	9.99
<b>4) Expenses</b>				
Remuneration	4.58	16.86	13.33	18.00
Salary	3.71	15.00	-	-
<b>5) Sales</b>	-	0.20	-	-

Associates / Enterprises over which directors and / or their relatives has significant influence

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>1) Money Received towards Share Capital (including premium)</b>	102.00	168.00	195.00	-
<b>2) Sales</b>	0.05	0.39	-	-
<b>3) Outstanding</b>				
Receivables	0.06	0.09	-	-

**Annexure XXIII**  
**STATEMENT OF DIVIDEND DECLARED, AS RESTATED**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>On Equity Shares</b>				
Fully Paid up Share Capital (₹ in lakhs)	29.34	27.64	24.84	19.34
Face Value (₹)	10.00	10.00	10.00	10.00
Paid up value per share (₹)	10.00	10.00	10.00	10.00
Rate of Dividend	-	-	-	-
Total Dividend	-	-	-	-
Corporate Dividend tax on above	-	-	-	-

**Annexure XXIV**  
**STATEMENT OF CONTINGENT LIABILITIES, AS RESTATED**

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
Contingent Liabilities				
Claims against the company not acknowledged as debt	-	-	-	-
Guarantees	1.78	-	-	-
Other money for which the company is contingently liable	-	-	-	-
<b>Total</b>	<b>1.78</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Annexure XXV**  
**STATEMENT OF TAX SHELTER, AS RESTATED**

(₹ in Lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
Tax Rates				
Income Tax Rate (%)	25.00%	25.00%	30.00%	30.00%
Minimum Alternate Tax Rate (%)	18.50%	18.50%	18.50%	18.50%
Short Term Capital Gain Rate (%)	25.00%	25.00%	30.00%	30.00%
<b>Income from Business or Profession</b>				
Restated Profit before tax as per books (A)	(92.16)	(214.14)	(115.97)	(146.50)
<b>Timing Differences</b>				
Book Depreciation	2.35	6.45	5.63	4.27
Income Tax Depreciation Allowance	(1.27)	(2.71)	(2.71)	(2.23)
Loss on assets written off	-	0.18	-	-
Gratuity expense	0.32	1.18	1.97	0.08
Leave expense	0.89	1.93	-	-
Bonus provision	-	2.63	-	-
Others	-	-	0.32	2.01
Provision for doubtful debts	5.31	1.35	1.80	
<b>Total Timing Differences (B)</b>	<b>7.60</b>	<b>11.01</b>	<b>7.01</b>	<b>4.13</b>
<b>Permanent Differences</b>				
Capital expenditure	-	0.38	6.21	0.97
		-	-	-
<b>Total Permanent Differences (C)</b>	<b>-</b>	<b>0.38</b>	<b>6.21</b>	<b>0.97</b>
<b>Income from Business or Profession (D) = (A+B+C)</b>	<b>(84.56)</b>	<b>(202.74)</b>	<b>(102.75)</b>	<b>(141.39)</b>
<b>Taxable Income/(Loss)</b>	<b>(84.56)</b>	<b>(202.74)</b>	<b>(102.75)</b>	<b>(141.39)</b>

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<b>Income Tax on above</b>	-	-	-	-
<b>Book Profit for MAT</b>	<b>(92.16)</b>	<b>(214.14)</b>	<b>(115.97)</b>	<b>(146.50)</b>
<b>MAT on Book Profit</b>	-	-	-	-
Tax paid as per normal or MAT	-	-	-	-
Tax paid as per returns	-	-	0.13	-
Payable / (refund)	-	-	(0.13)	-

**Notes:**

1. The aforesaid Statement of tax Shelters has been prepared as per the 'Restated Profit and Loss Account.

**CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS**

There has been no change in the Accounting Policies in the last three (3) years.

**CHANGES IN ACCOUNTING PERIOD**

There has been no change in the accounting period of the Company.

**OTHER FINANCIAL INFORMATION**
**STATEMENT OF ACCOUNTING RATIOS, AS RESTATED**
*(₹ in Lakhs)*

Particulars	For the period ended June 30, 2019*	For the year ended March 31,		
		2019	2018	2017
Restated Net Profit as per P&L Account	(92.16)	(214.14)	(115.97)	(146.50)
Actual Number of Equity Shares outstanding at the end of the period	2,93,407	2,76,407	2,48,407	1,93,407
Equivalent Weighted Average number of Equity Shares at the end of the period	36,22,434	35,41,433	26,58,598	15,04,675
Share Capital	29.34	27.64	24.84	19.34
Reserves & Surplus	45.81	37.67	86.61	-121.92
Less: Miscellaneous Expense written off	-	-	-	-
<b>Net Worth</b>	<b>75.15</b>	<b>65.31</b>	<b>111.45</b>	<b>-102.58</b>
Basic/Diluted Earnings Per Share	(2.54)	(6.05)	(4.36)	(9.74)
Return on Net worth (%)	(122.63)%	(327.88)%	(104.06)%	(142.81)%
Net Assets Value per Equity Share	25.61 <sup>(1)</sup>	23.63	44.87	(53.04)
Nominal Value per Equity share (Rs.)	10.00	10.00	10.00	10.00

\* Not Annualised

<sup>(1)</sup> As on June 30, 2019 the Company's paid up equity capital consist of 2,93,407 number of fully paid up equity shares of face value of ₹ 10/- each. Our Company has after June 30, 2019 allotted an aggregate of 35,850 equity shares of ₹ 10 each as preferential allotment and 39,51,084 Equity shares of ₹ 10/- each as bonus issue. Considering the above allotments, the pre-issue NAV as on date of this Draft Prospectus should be read as ₹ 6.78 per share, after adjusting for these events.

Notes to Accounting Ratios:

1) Formulas used for calculating above ratios are as under:

- a) Basic EPS is being calculated by using the formula: (Net Profit after Tax / Equivalent Weighted Average No. of outstanding equity Shares)
- b) Net worth = Equity Share Capital + Reserves & Surplus
- c) Net Asset Value is being calculated by using the formula: (Restated Net Worth / Actual Number of Equity Shares at end of the year / period)
- d) Return on Net worth (%) is being calculated by using the formula: (Restated Profit After Tax / Restated Network) \*100

2) Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of Equity Shares issued during period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

3) The Calculation of Earnings Per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS - 20) on Earnings Per Share issued by the Institute of Chartered Accountants of India.

4) As there is no dilutive capital in the company, Basic and Diluted EPS are similar.

5) The above Ratios have been computed on the basis of the Restated Financial Information for the respective period.

The above statements should be read with the Notes to Restated Financial Statements.

## CAPITALIZATION STATEMENT

To,  
**The Board of Directors,**  
**Valencia Nutrition Limited**  
 D. No. 134, 6th Main, 1st Block  
 Banashankari, 3rd stage, Bangalore-560085

Sub: Proposed Public Issue of Valencia Nutrition Limited.

Dear Sir,

We have prepared the Statement of Capitalization based on the information & documents provided and relied upon for the purpose of inclusion of the same in the Draft Prospectus / Prospectus being issued by you. Statement of Capitalization is as under:

### STATEMENT OF CAPITALIZATION, AS RESTATED

( ₹ in lakhs)

Particular	Pre Issue (as at June 30, 2019)	Pre Issue (as at Nov 16, 2019)*	Post Issue
<b>Borrowings</b>			
Short term debt (A)	13.84	13.84	13.84
Long Term Debt (B)	65.54	65.54	65.54
<b>Total debts (C=A+B)</b>	<b>79.38</b>	<b>79.38</b>	<b>79.38</b>
<b>Shareholders' funds</b>			
Equity share capital (D)	29.34	428.03	558.53
Reserve and surplus - as restated (E )	45.81	(137.78)	332.02
Total shareholders' funds (F=D+E)	<b>75.15</b>	<b>290.25</b>	<b>890.55</b>
<b>Long term debt / shareholders funds</b>	<b>0.87</b>	<b>0.23</b>	<b>0.07</b>
<b>Total debt / shareholders funds</b>	<b>1.06</b>	<b>0.27</b>	<b>0.09</b>

The above has been computed on the basis of Restated Financials of the Company.

#### Notes:

**\*Post June 30, 2019, there were certain allotments made by the company as mentioned below:**

- (1) Pursuant to Board Meeting held on July 06, 2019, the Company had allotted 7,500 Equity Shares on Preferential basis.
- (2) Pursuant to Board Meeting held on September 04, 2019, the Company had allotted 7,850 Shares on Preferential basis.
- (3) Pursuant to Board Meeting held on November 04, 2019, the Company had allotted 10,000 Equity Shares on Preferential basis.
- (4) Pursuant to Board Meeting held on November 11, 2019, the Company had allotted 10,500 Equity Shares on Preferential basis.
- (5) Pursuant to Board Meeting held on November 13, 2019 the Company had issued 39,51,084 Bonus Shares in the ration 12:1 i.e. 12 Bonus Shares for every 1 Share held, by way of capitalizing Securities Premium Account.



---

<sup>(6)</sup> *Apart from Share Capital and share premium under Reserves and Surplus, other figures are considered from the audited Financials as on June 30, 2019.*

**For Balakrishna and Co,**  
**Chartered Accountants**  
(Firm Registration No.004835S)

**CA Kumar Prasad B.E**  
**Partner**  
Membership No: 204844

Place: Bengaluru  
Date: November 16, 2019

UDIN: 19204844AAAAJG6176

---

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

*You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Draft Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.*

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

### BUSINESS OVERVIEW

Our Company is an applied biotechnology startup operating in the niche field of researching, developing & marketing high quality, best-in-class nutraceutical products i.e. multivitamin functional beverages to prevent and/or manage lifestyle related diseases.

The nutraceutical market is segmented into functional foods, functional beverages and dietary supplements. Globally, the nutraceutical market is predicted to record revenue of USD 671.30 billion by 2024, registering a CAGR of 7.5% during the forecast period (2019 - 2024). Globally, nutraceuticals are gaining importance and are becoming a part of the consumer's daily diet. Looking at the current trends, the Indian nutraceutical market is forecasted to grow from a value of US\$ 2.8 Billion in 2015 to a value of US\$ 8.5 Billion by 2022. Functional beverage is an emerging segment of the Indian nutraceutical industry that was valued at US\$ 0.3 Billion in 2015. With wellness increasingly becoming a mainstream thought amongst the millennial population along with changing lifestyle preferences and people consciously taking preventive healthcare measures, nutraceuticals are expected to gain prolific growth in the years to come.

Our Company is bridging the increasing gap between demand & supply for healthy products with its healthy, nutritious & flavorsome drinks – 'Bounce Superdrinks' & 'VitaMe Enriched Beverage'. We have been working in a most focused manner since last 4 years to fully evolve a well-researched product and develop a niche brand within this nascent but high potential market.

'**Bounce Superdrinks**' is a low-calorie hydration drink range and is our flagship brand. The range has unique & proprietary blend of flavors, sweetening agents and nutrients which can be consumed by all age groups. 'Bounce Superdrinks' was originally manufactured under the brand name of 'Bounce Superwater' in 6 flavors viz. perky peach, watermelon, zesty green apple, peppery pink guava, tangy orange and litchi. However, currently it has expanded to over 14 flavors under 6 sub-variants that includes both still and carbonated drinks - Vitalize (4 flavors viz. Blue Surge, Perky Peach, Green Apple Zest & Electric Orange), Sports+ (5 flavors viz. Blue Surge, Pomegranate, Peach, Orange & Lime), Glucose+ (Apple, Lemon, Litchi & Jeera), Glucofizz (Berry Fizz, Litchi Fizz & Orange Fizz), Lemon Fizz & Jeera Fizz. Currently this is the only product which is marketed by our Company.

'**VitaMe Enriched Beverages**' are multi nutrient drinks customized to meet gaps in the daily diet thereby offering loads of different nutrients in a ready-to-drink, low-calorie beverage format in four flavors. It is customized as per the taste buds of Indian customers. VitaMe is available in four variants- Guava Electrolite, Watermelon Prebiotic, Litchi-Mint Unwind and Lemon – Lime Antioxidant Burst.

All our formulations are created in-house by highly qualified nutrition & health care professionals. The founder of our Company, Mrs. Deepthi Anand, is a biomedical professional and has over 19 years of experience in the field of medical research, nutrition research, product development & technological applications to health. The top management Our Company is run by seasoned professionals with over 15 years of experience in the pharmaceutical, nutraceutical & FMCG space across global brands.

Our Company uses a knowledge-based approach from internal and external sources in adding new products, testing them and developing them in final saleable forms. We utilize an outsourcing model that emphasizes on quality manufacturing, bottling, packaging and transportation. We believe that this outsourcing model provides us with the

scalability required to undertake new developments across delivery formats and also enables us to focus on the core area of research, product development, quality control and marketing of the products.

Our Company conforms to all necessary regulatory specifications. We firmly believe in benchmarking our product quality against the highest standards, are unflinchingly customer centric, deeply people focused, and follow ethical business practices and corporate governance standards overall. We draw our strength from an age old tradition of quality products as the best strategy for sustained growth.

### **Significant Developments after June 30, 2019 that may affect our Future Results of Operations**

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the Draft Prospectus which materially or adversely affect or is likely to affect the profitability of our Company or the value of our assets, or our ability to pay liabilities within next twelve months.

### ***Our Strengths***

Following are our major strengths:

1. Experienced management team
2. No dependency for Product Development and Formulations
3. Understanding consumer preferences and product development
4. Outsourced Model for manufacturing and distribution for our products
5. Long Shelf life compared to Peers

### **FACTORS AFFECTING OUR RESULT OF OPERATIONS**

Except as otherwise stated in the Draft Prospectus and the Risk Factors given in the Draft Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

#### ***Inability to compete effectively may lead to lower market share***

We cannot assure you that this industry will continue to grow at this rate in the future. The health drinks industry in India has just begun and is still in its early stages and may experience slower growth in the future due to various market saturations, especially in the health drinks segment and competition from alternative products, such as dairy products and from fresh, unpackaged juices from local retailers, especially in semi urban and rural areas, which is our focus market.

#### ***Distribution network***

We generate major sales through our distributors situated in Karnataka. Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions which may adversely affect our business prospects, financial conditions and results of operations. We may not be able to leverage our experience in other parts of India and overseas markets, should we decide to further expand our operations.

#### ***Competition***

This nutraceutical industry is a niche segment, with a handful of established players to cater to such a large market. However, we still face competition in our business from other existing manufactures of nutraceutical beverages. We sell our products in competitive markets and there are many players in the market making same products like ours, if we are not able to compete with them through our marketing tactics, we might lose our market share in future. We compete with our competitors on a regional or product line basis.

#### ***Acceptance of our recently launched products by consumers***

The functional food and functional beverages industry in India is subject to changes in consumer preferences, perceptions and spending habits. Our performance depends on factors which may affect the level and patterns of consumer spending in India. Such factors include consumer preferences, consumer confidence, consumer incomes, consumer perceptions of the safety and quality of our beverages, and consumer interest in diet and health issues. Media

coverage regarding the safety or quality of, or diet or health issues relating to functional food and functional beverages and other beverages, or the raw materials, ingredients or processes involved in their manufacturing or bottling, especially in urban and metropolitan areas, may adversely affect consumer confidence in these products.

### Segment Reporting

The Company is engaged in the business of non-alcoholic nutrition based beverages. The risks and returns of the Company are predominantly determined by its principal product and the Company's activities fall within a single business segment. The geographical segment information is disclosed based on the location of the customers.

➤ **Business segment**

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

➤ **Geographical segments**

The Company's secondary segments are geographic distribution of activities. Revenue and receivables are specified by location of customers while the other geographic information is specified by location of the assets. The following table presents revenue and asset information regarding the Company's geographical segments:

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
<u>Revenue:</u>				
➤ India	93.30	120.76	41.28	73.20
➤ Others	-	20.89	-	-
<b>Total</b>	<b>93.30</b>	<b>141.65</b>	<b>41.28</b>	<b>73.20</b>
<u>Assets:</u>				
➤ India	239.87	141.25	161.37	32.81
➤ Others	-	-	-	-
<b>Total</b>	<b>239.87</b>	<b>141.25</b>	<b>161.37</b>	<b>32.81</b>
<u>Capital expenditure:</u>				
➤ India	122.72	8.49	5.94	5.22
➤ Others	-	-	-	-
<b>Total</b>	<b>122.72</b>	<b>8.49</b>	<b>5.94</b>	<b>5.22</b>

**RESULTS OF OUR OPERATIONS**

(₹ in lakhs)

Particulars	As on June 30,				For the year ended March 31,			
	2019	% of Total Income	2019	% of Total Income	2018	% of Total Income	2017	% of Total Income
<b>INCOME:</b>								
Revenue from Operations (Net)	93.30	99.99%	141.66	94.77%	41.28	97.02%	73.20	99.30%
Other Income	0.01	0.01%	7.81	5.23%	1.27	2.98%	0.51	0.70%
<b>Total income</b>	<b>93.31</b>	<b>100.00%</b>	<b>149.47</b>	<b>100.00%</b>	<b>42.55</b>	<b>100.00%</b>	<b>73.71</b>	<b>100.00%</b>
<b>EXPENSES:</b>								
Cost of material consumed	25.01	26.80%	70.48	47.15%	49.55	116.46%	53.11	72.05%
Purchases of stock in trade	8.78	9.41%	-	0.00%	-	0.00%	0.00	0.00%
Changes in Inventories of finished goods, work-in-progress and stock in trade	(0.51)	(0.55)%	(7.41)	(4.96)%	(6.10)	(14.34)%	4.64	6.29%
Employee benefit expenses	45.36	48.61%	136.15	91.09%	52.31	122.95%	57.64	78.20%
Finance costs	0.86	0.93%	-	0.00%	2.04	4.79%	0.00	0.00%
Depreciation	2.35	2.52%	6.45	4.32%	5.63	13.24%	4.27	0.00%
Other Expenses	103.62	111.05%	157.94	105.67%	55.08	129.46%	100.55	0.00%
<b>Total expenses</b>	<b>185.47</b>	<b>198.77%</b>	<b>363.61</b>	<b>243.27%</b>	<b>158.52</b>	<b>372.56%</b>	<b>220.21</b>	<b>298.75%</b>
<b>Profit before Prior period item, exceptional item, extraordinary items and tax</b>	<b>(92.16)</b>	<b>(98.77)%</b>	<b>(214.14)</b>	<b>(143.27)%</b>	<b>(115.97)</b>	<b>(272.56)%</b>	<b>(146.50)</b>	<b>(198.75)%</b>
Prior period items	-	-	-	-	-	-	-	-
<b>Profit before exceptional item, extraordinary items and tax</b>	<b>(92.16)</b>	<b>(98.77)%</b>	<b>(214.14)</b>	<b>(143.27)%</b>	<b>(115.97)</b>	<b>(272.56)%</b>	<b>(146.50)</b>	<b>(198.75)%</b>
Exceptional items	-	-	-	-	-	-	-	-
<b>Profit before extraordinary items and tax</b>	<b>(92.16)</b>	<b>(98.77)%</b>	<b>(214.14)</b>	<b>(143.27)%</b>	<b>(115.97)</b>	<b>(272.56)%</b>	<b>(146.50)</b>	<b>(198.75)%</b>
Extraordinary items	-	-	-	-	-	-	-	-
<b>Net Profit / (Loss) before Tax</b>	<b>(92.16)</b>	<b>(98.77)%</b>	<b>(214.14)</b>	<b>(143.27)%</b>	<b>(115.97)</b>	<b>(272.56)%</b>	<b>(146.50)</b>	<b>(198.75)%</b>
<b>Less: Tax expense</b>								
(a) Current Tax	-	-	-	-	-	-	-	-

Particulars	As on June 30,				For the year ended March 31,			
	2019	% of Total Income	2019	% of Total Income	2018	% of Total Income	2017	% of Total Income
(b) Deferred Tax	-	-	-	-	-	-	-	-
<b>Total tax expense</b>	-	-	-	-	-	-	-	-
<b>Net Profit/(Loss) after tax</b>	<b>(92.16)</b>	<b>(98.77)%</b>	<b>(214.14)</b>	<b>(143.27)%</b>	<b>(115.97)</b>	<b>(272.56)%</b>	<b>(146.50)</b>	<b>(198.75)%</b>

*Main Components of our Profit and Loss Account*

**Income**

Our total income comprises of revenue from operations and other income

*Revenue from Operations*

Our revenue from operations as a percentage of total income was 99.99% for the period ended June 30, 2019. Our revenue from operation as a percentage of total income were 94.77%, 97.02% and 99.30% respectively, for the fiscals 2019, 2018 and 2017.

*Other Income*

Our other income comprises of interest income. Other income, as a percentage of total income was 0.01% for the period ended June 30, 2019 and 5.23%, 2.98% and 0.70% for the fiscals 2019, 2018 and 2017 respectively.

**Expenditure**

Our total expenditure primarily consists of Purchases, Changes in Inventory, Employee Benefit Expenses, Depreciation & Amortization Expenses and Other Expenses.

*Cost of Material Consumed & Purchases of stock in trade*

Cost of Material consumed & Purchases of stock in trade is primarily purchases of raw materials and stores for the manufacturing and a part for trading i.e. item termed as purchase of stock in trade.

*Employee Benefit Expenses*

Expenses in relation to employee's remuneration and benefits include employee's remuneration and benefits etc.

### ***Finance costs***

Finance cost primarily consists of interest payable on borrowings availed by our company.

### ***Depreciation and Amortization Expenses***

Depreciation Expenses consist of depreciation on the Tangible assets of our Company which primarily includes Plant & Machinery, Computer & IT Equipments, Furniture and Fittings, Office Equipment, Moulds, Tools & Cylinders, Vehicles etc.

### ***Other Expenses***

Other expenses consist of Business promotion, Commission and discounts, Communication expense, Freight and forwarding, Job work charges & Bottling cost, Printing and stationery, Rent including lease rentals, travelling and conveyance etc.

### ***Provision for Tax***

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

## **Review for the three (3) months period ended June 30, 2019**

### ***Income***

Our total income for the three months period ended June 30, 2019 was ₹ 93.31 lakhs. In the mentioned period, the revenue earned from operations was ₹ 93.30 lakhs or 99.99% of the total income. Other income for said period was recorded at ₹ 0.01 lakhs or 0.01% of total income.

### ***Cost of material consumed and Purchase of stock in trade.***

Cost of material consumed for the three months period ended June 30, 2019 was ₹ 25.01 lakhs which as a proportion of our total income was 26.80%. Purchases of stock in trade for the three months period ended June 30, 2019 was ₹ 8.78 lakhs which as a proportion of our total income was 9.41%.

### ***Employee Benefit Expenses***

Our Employee Benefit Expenses for the three months period ended June 30, 2019 were ₹ 45.36 lakhs. As a proportion of our total income they were 48.61%.

### ***Financial Cost***

Our Financial Cost for the three months period ended June 30, 2019 was ₹ 0.86 lakhs i.e. 0.93 % of the total income for the period

### ***Depreciation***

Our Depreciation for the three months period ended June 30, 2019 was ₹ 2.35 lakhs. As a proportion of total income they were 2.52 %.



### ***Other Expenses***

Our Other Expenses for the three months period ended June 30, 2019 was ₹ 103.62 lakhs. As a proportion of our total income they were 111.05 %.

### ***Profit/ (Loss) before Tax***

Profit/ (Loss) before Tax for the three months period ended June 30, 2019 was negative ₹ 92.16 lakhs.

### ***Profit/ (Loss) after Tax***

Profit after Tax for the three months period ended June 30, 2019 was negative ₹ 92.16 lakhs.

## **Fiscal 2019 compared with fiscal 2018**

### ***Income***

In fiscal 2019, our total income increased by ₹ 106.92 lakhs or 251.29%, from ₹ 42.55 lakhs in fiscal 2018 to ₹ 149.47 lakhs in fiscal 2019. The increase in the year 2019 was due to increase in the revenue from operations as compared to last year.

Other income increased by ₹ 6.54 lakhs or 515.19%, from ₹ 1.27 lakhs in fiscal 2018 to ₹ 7.81 lakhs in fiscal 2019. The major factor for such increase was due to rise in interest income.

### ***Cost of Material Consumed***

Cost of material consumed increased by ₹ 20.92 lakhs or 42.22%, from ₹ 49.55 lakhs in fiscal 2018 to ₹ 70.48 lakhs in fiscal 2019 due to increase in cost of purchase of raw materials.

### ***Employee Benefit Expenses***

Our staff cost increased by ₹ 83.84 lakhs or 160.27%, from ₹ 52.31 lakhs in fiscal 2018 to ₹ 136.15 lakhs in fiscal 2019. This increase was mainly due to increase in salaries and wages and directors remuneration as compared to last fiscal.

### ***Financial Cost***

Finance cost during the year was nil as compared to ₹ 2.04 in previous year.

### ***Depreciation Expenses***

Depreciation expenses increased by ₹ 0.81 lakhs or 14.46% from ₹ 5.63 lakhs in fiscal 2018 to ₹ 6.45 lakhs in fiscal 2019. This increase was on account of additions of assets in FY 2018-19 and also due to WDV effect on the existing assets.

### ***Other Expenses***

Other expenses increased by ₹ 102.86 lakhs or 186.74 % from ₹ 55.08 lakhs in fiscal 2018 to ₹ 157.94 lakhs in Fiscal 2019. The increase was majorly due to increase in certain expense like Business promotion, Commission and discounts, Freight and forwarding, Job work charges & Bottling cost, travelling and conveyance etc

### ***Profit/ (Loss) before Tax***

The increase in expenses has led to decrease in our Profit/ (Loss) before tax by ₹ 98.17 lakhs or 84.65% from negative ₹ 115.97 lakhs in fiscal 2018 to negative ₹ 214.14 lakhs in fiscal 2019.

### ***Profit/ (Loss) after Tax***

After accounting for taxes at applicable rates, our Profit after Tax decreased by ₹ 98.17 lakhs or 84.65%, from negative ₹ 115.97 lakhs in fiscal 2018 to negative ₹ 214.14 lakhs in fiscal 2019.

### **Fiscal 2018 compared with fiscal 2017**

#### ***Income***

In fiscal 2018, our total income decreased by ₹ 31.16 lakhs or 42.28 %, from ₹ 73.71 lakhs in fiscal 2017 to ₹ 42.55 lakhs in fiscal 2018. The decrease in the year 2018 was due to decrease in the revenue from operations as compared to last year.

Other income increased by ₹ 0.76 lakhs or 146.83%, from ₹ 0.51 lakhs in fiscal 2017 to ₹ 1.27 lakhs in fiscal 2018. The major factor for such increase was due to rise in interest income.

#### ***Cost of Material Consumed***

Cost of material consumed decreased by ₹ 3.55 lakhs or 6.69%, from ₹ 53.11 lakhs in fiscal 2017 to ₹ 49.55 lakhs in fiscal 2018.

#### ***Employee Benefit Expenses***

Our staff cost decreased by ₹ 5.33 lakhs or 9.25%, from ₹ 57.64 lakhs in fiscal 2017 to ₹ 52.31 lakhs in fiscal 2018. This increase was mainly due to decrease in salaries and wages and directors remuneration.

#### ***Financial Cost***

Finance cost during the year was ₹ 2.04 as compare to Nil in the previous year. The financial costs incurred were Interest on borrowings.

#### ***Depreciation Expenses***

Depreciation expenses increased by ₹ 1.36 lakhs, or 31.90 % from ₹ 4.27 lakhs in fiscal 2017 to ₹ 5.63 lakhs in Fiscal 2018. This increase was on account of additions of assets in FY 2017-18 and also due to WDV effect on the existing assets.

#### ***Other Expenses***

Other expenses decreased by ₹ 45.47 lakhs or 45.22 % from ₹ 100.55 lakhs in fiscal 2017 to ₹ 55.08 lakhs in Fiscal 2018. The decrease was majorly due to decrease in certain expense like Business promotion, Commission and discounts, Communication, Freight and forwarding, Job work charges & Bottling cost, Printing and stationery etc.

### ***Profit/ (Loss) before Tax***

The decrease in expenses has led to increase in our Profit before tax by ₹ 30.53 lakhs or 20.84% from negative ₹ 146.50 lakhs in fiscal 2017 to negative ₹ 115.97 lakhs in fiscal 2018.

### ***Profit/ (Loss) after Tax***

After accounting for taxes at applicable rates, our Profit after Tax decreased by ₹ 30.53 lakhs or 20.84% from negative ₹ 146.50 lakhs in fiscal 2017 to negative ₹ 115.97 lakhs in fiscal 2018.

## Cash Flows

(₹ in lakhs)

Particulars	For period ending June 30,2019	For the year ended March 31		
		2019	2018	2017
Net Cash from Operating Activities	(60.29)	(256.25)	(127.71)	(112.26)
Net Cash from Investing Activities	(123.79)	(0.67)	(4.76)	(5.22)
Net Cash used in Financing Activities	163.13	168.00	246.71	114.52

### *Cash Flows from Operating Activities*

Net cash from operating activities for the period ended June 30, 2019 was negative ₹ 60.29 lakhs as compared to the PBT of negative ₹ 92.16 lakhs for the same period. This difference is primarily on account of changes in inventories, trade receivables, trade payables, other current liabilities, long term loans & advances and short term loans & advances, long term provisions & short term provisions.

Net cash from operating activities in fiscal 2019 was negative ₹ 256.25 lakhs as compared to the PBT of negative ₹ 214.14 lakhs for the same period. This difference is primarily on account of changes inventories, trade payables and current liabilities, long term loans & advances and short term loans & advances, long term provisions & short term provisions.

Net cash from operating activities in fiscal 2018 was negative ₹ 127.71 lakhs as compared to the PBT of negative ₹ 115.97 lakhs for the same period. This difference is primarily on account of changes in inventories, trade payables and current liabilities, long term loans & advances and short term loans & advances, long term provisions & short term provisions.

Net cash from operating activities in fiscal 2017 was negative ₹ 112.26 lakhs as compared to the PBT of negative ₹ 146.50 lakhs for the same period. This difference is primarily on account of changes in inventories, trade payables and current liabilities, long term loans & advances and short term loans & advances, long term provisions & short term provisions.

### *Cash Flows from Investment Activities*

For the period ended June 30, 2019 the net cash invested in Investing Activities was negative ₹ 123.79 lakhs. This was majorly on account of purchase of fixed assets.

In fiscal 2019, the net cash invested in Investing Activities was negative ₹ 0.67 lakhs. This was majorly on account of purchase of fixed assets.

In fiscal 2018, the net cash invested in Investing Activities was negative ₹ 4.76 lakhs. This was majorly on account of purchase of fixed assets.

In fiscal 2017, the net cash invested in Investing Activities was negative ₹ 5.22 lakhs. This was majorly on account of purchase of fixed assets.

### *Cash Flows from Financing Activities*

Net cash from financing activities for the period ending June 30, 2019 was ₹ 163.13 lakhs. This was on account of issue of share capital (including share premium), borrowings repaid etc.

Net cash from financing activities in fiscal 2019 was ₹ 168 lakhs. This was on account of issue of share capital (including share premium), borrowings repaid etc.

Net cash from financing activities in fiscal 2018 was ₹ 246.71 lakhs. This was on account of issue of share capital (including share premium), borrowings repaid etc.

Net cash from financing activities in fiscal 2017 was ₹ 114.52 lakhs. This was on account of issue of share capital (including share premium), borrowings repaid etc.

## **OTHER MATTERS**

### **1. Unusual or infrequent events or transactions**

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

### **2. Significant economic changes that materially affected or are likely to affect income from continuing Operations**

Other than as described in the Section titled “*Financial Information*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on pages no. 19 and 156 respectively of this Draft Prospectus respectively, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on page no 19 and 156 respectively of this Draft Prospectus respectively, best to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

### **4. Future relationship between Costs and Income**

Other than as described in the chapter titled “*Risk Factors*” beginning on page no 19 of this Draft Prospectus, best to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

### **5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices**

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company and introduction of new products in the market.

### **6. Status of any publicly announced new products or business segments**

Please refer to the chapter titled “*Our Business*” beginning on page no. 85 of this Draft Prospectus.

### **7. The extent to which the business is seasonal.**

We see higher sales during the first quarter of the financial year i.e. in light of the impending summer months. During the winter and rainy season of each year we see slowdown in the revenue streamline and lower down in sales volumes.

### **8. Any significant dependence on a single or few suppliers or customers**

The revenues from our top 5 and top 10 customers constituted approximately 43.29 % and 60.49 % respectively for Fiscal 2019. For period ending June 30, 2019, the revenues from our top 5 and top 10 customers constituted approximately 47.19% and 69.63 % respectively. For further details, please refer chapter “*Our Business*” beginning on page no. 85 of this Draft Prospectus.

### **9. Competition Conditions**

Nutraceutical Industry is a niche segment, with a handful of established players to cater to such a large market. This is mainly due to lack of awareness of nutraceutical beverages and other products in India. Further, consumption pattern of customers in India is more towards aerated products over nutraceutical products. However, we still face competition in our business from other existing manufactures of nutraceutical beverages. We compete with our competitors on a regional or

product line basis. We believe that the principal factors affecting competition in our business include taste of product, branding, abilities of research and development team to manufacture new products, market focus and the relative quality and price of the products.

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no:*

*A. (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoters or Group Companies. Our Board, in its meeting held on November 15, 2019 determined that all litigations pertaining to the company, its directors/promoters/group companies/ subsidiaries which are in the nature of criminal, statutory/regulatory and taxation related are deemed material by the Board. Further, the Board considers all other litigation pertaining to the company, its directors/promoters/group companies/subsidiaries which are above a claim amount equal to or exceeding ₹ 5 Lakhs as material litigation (“Material Litigation”)*

*B. (i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoter during the last five years; (ii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company; or (vi) material frauds committed against our Company in the last five years.*

*C. (i) outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.*

*Our Board, in its meeting held on November 15, 2019, determined that all outstanding dues owed by the Company to small scale undertaking and other creditors exceeding ₹5 lakhs are considered as material by our Board and the same will be disclosed in the Annual report of the Company. Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI ICDR Regulations have been disclosed on our website at [www.valencianutrition.com](http://www.valencianutrition.com).*

*Our Company, Directors, Promoter sand Group Companies are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.*

#### LITIGATION INVOLVING OUR COMPANY

#### CONTINGENT LIABILITIES OF OUR COMPANY

(₹ in lakhs)

Particulars	As at June 30, 2019	As at March 31,		
		2019	2018	2017
Contingent Liabilities				
Claims against the company not acknowledged as debt	-	-	-	-
Guarantees	1.78	-	-	-
Other money for which the company is contingently liable	-	-	-	-
<b>Total</b>	<b>1.78</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### A. LITIGATION AGAINST OUR COMPANY

##### 1. Criminal matters

NIL

##### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

### 3. Litigation involving Tax Liabilities

#### (i) Direct Tax Liabilities

NIL

#### (ii) Indirect Taxes Liabilities

NIL

### 4. Other Pending Litigations

NIL

## B. CASES FILED BY OUR COMPANY

### 1. Litigation Involving Criminal matters

NIL

### 2. Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

### 3. Litigation involving Tax Liabilities

#### (i) Direct Tax Liabilities

Sr. No.	Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (in ₹ Lakhs)
1.	Income Tax (A.Y. 2016-17)	1	Unascertainable
<b>Total</b>		<b>1</b>	<b>Unascertainable</b>

**Appeal dated January 28, 2019 filed by the Company before the Commissioner of Income Tax (Appeals) - 7, Bangalore (“C.I.T. (A)”).**

An Assessment Order dated December 07, 2018 was issued by the Assistant Commissioner of Income Tax Act, Bangalore to the Company inter-alia directing adding an amount of Rs.1,08,80,104/- as income from other sources under Section 56 of the Income Tax Act, 1961 for the AY 2016-17 and initiated penalty proceedings under Section 271(1)(c) of the Income Tax Act, 1961 along with a notice of demand under Section 156 of the Income Tax Act, 1961. Subsequently, aggrieved by the aforesaid Order, an Appeal was filed by the Company before C.I.T. (A) dated January 28, 2019 *inter-alia* refuting the allegations made by the Assistant Commissioner of Income Tax Act, Bangalore. This matter is currently pending.

#### (ii) Indirect Taxes Liabilities

NIL

### 4. Other Pending Litigations

NIL



---

**LITIGATION INVOLVING OUR DIRECTORS**

**A. LITIGATION AGAINST OUR DIRECTORS**

**1. Criminal matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**B. LITIGATION FILED BY OUR DIRECTORS**

**1. Litigation Involving Criminal matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

## **LITIGATION INVOLVING OUR PROMOTERS**

### **A. LITIGATION AGAINST OUR PROMOTERS**

#### **1. Litigation Involving Criminal matters**

NIL

#### **2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

#### **3. Litigation involving Tax Liabilities**

##### **(i) Direct Tax Liabilities**

NIL

##### **(ii) Indirect Taxes Liabilities**

NIL

#### **4. Other Pending Litigations**

NIL

### **B. LITIGATION FILED BY OUR PROMOTERS**

#### **1. Litigation Involving Criminal matters**

NIL

#### **2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

#### **3. Litigation involving Tax Liabilities**

##### **(i) Direct Tax Liabilities**

NIL

##### **(ii) Indirect Taxes Liabilities**

NIL

#### **4. Other Pending Litigations**

NIL

**There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.**

There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 (five) years.

**Pending proceedings initiated against our Company for economic offences.**

There are no pending proceedings initiated against our Company for economic offences.

**Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous companies enactment in the last 5 (five) years against our Company.**

There are no inquiries, investigations etc. instituted under the Companies Act or any previous companies enactment in the last 5 (five) years against our Company.

**Material Fraud against our Company in the last 5 (five) years**

There has been no material fraud committed against our Company in the last 5 (five) years.

**Fines imposed or compounding of offences for default**

There are no fines imposed or compounding of offences done in the last 5 (five) years immediately preceding the year of the Draft Prospectus for the Company for default or outstanding defaults.

**Non-Payment of Statutory Dues**

There have been no defaults or outstanding defaults in the payment of statutory dues payable by the Company as of the date of the last audited financial statements of the Company.

**Amounts owed to small scale undertakings and other creditors**

As of June 30, 2019, our Company owes the following amounts to small scale undertakings, other creditors and material creditors:

Particulars	Number of creditors	Amount Involved (in ₹ Lakhs)
Micro, Small and Medium Enterprises	-	-
Material Creditors	1	13.13
Other Creditors	31	18.84
<b>Total</b>	<b>32</b>	<b>31.97</b>

Details in relation to the amount owed by our Company to material creditors, small scale undertakings and other creditors as on June 30, 2019 are also available on [www.valencianutrition.com](http://www.valencianutrition.com).

*It is clarified that information provided on the website of our Company is not a part of this Draft Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at its own risk.*

**Material developments occurring after last balance sheet date**

Except as disclosed elsewhere in this Draft Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

## **GOVERNMENT AND OTHER KEY APPROVALS**

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/ proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.*

*The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out its activities.*

### **I. APPROVALS FOR THE ISSUE**

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on November 13, 2019 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the extra ordinary general meeting held on November 15, 2019 authorized the Issue.
3. In-principle approval dated [•] from the BSE SME for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. The ISIN of our Company is INE08RTO1016

### **II. APPROVALS PERTAINING TO INCORPORATION AND CONSTITUTION OF OUR COMPANY**

1. Certificate of Incorporation dated 1 April, 2013 issued by the Registrar of Companies, Karnataka (“RoC”) in the name of “Valencia Nutrition Private Limited”
2. Certificate of Incorporation Consequent upon Conversion to Public Limited Company dated April 04, 2018 issued by RoC, Bangalore evidencing the change of name of Company from “Valencia Nutrition Private Limited” to “Valencia Nutrition Limited”.
3. The Corporate Identity Number (CIN) of the Company is U51909KA2013PLC068380

### **III. BUSINESS RELATED APPROVALS**

1. Certificate of Importer – Exporter Code (IEC) bearing IEC No. 0714017736 dated September 8, 2014 issued by Office of Joint Director General of Foreign Trade, Bangalore which is valid until cancelled.
2. License to operate as a distributor under Food Safety and Standard Act, 2006 bearing number 11214334001198 dated August 30, 2018 valid for a period of 5 years from September 19, 2017 to September 18, 2022.
3. Udyog Aadhar Memorandum bearing UAN KR03A0039159 for a micro manufacturing enterprise.

#### IV. TAX RELATED APPROVALS

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India	AAECV3892Q	August 21, 2014	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	Income Tax Department, Government of India	BLRV11874C	August 24, 2018	Valid until cancelled
3.	Certificate of Registration Central Goods and Service Tax Act, 2017 for the Company's registered office situated at No 134, 6th main, 1st block, 3rd stage, Banashankari, Bangalore, 560085	Government of Karnataka and Government of India	29AAECV3892Q1ZA	June 12, 2018	Valid until cancelled
4.	Certificate of Registration issued under Karnataka Tax on Professions, Trade Callings and Employment Act, 1976 for Company's registered address at No 134, 6th main, 1st block, 3rd stage, Banashankari, Bangalore, 560085	Profession Tax Officer, Bengaluru	370581493	September 1, 2013	Valid until cancelled
5.	Certificate of Enrolment issued under Karnataka Tax on Professions, Trade Callings and Employment Act, 1976 for Company's registered address at No 134, 6th main, 1st block, 3rd Stage, Banashankari, Bangalore, 560085.	Government of Karnataka	29AAECV3892Q1ZA	September 18, 2019	Valid until cancelled





#### V. LABOUR RELATED APPROVALS/ REGISTRATIONS

The Company has obtained the following approvals related to Labour/employment related registrations:

Sr. No.	Particulars	Registration Number	Issuing Authority	Date of Issue	Date of Expiry
1.	Registration Certificate under Employees State Insurance Act.	53000390220000999	Joint Director, Regional Office (Karnataka)	September 7, 2015	Valid until cancelled
2.	Registration Certificate under Employees Provident Fund and Miscellaneous Provision Act, 1952	BGMRD1734516000	Employees' Provident Fund Organization	May 31, 2018	Valid Until Cancelled

## VI. INTELLECTUAL PROPERTY RELATED APPROVALS

The Company has obtained for the following trademarks registrations:

Sr. No.	Particulars of the mark	Applicant	Trade Mark Type	Trademark/ Application Number	Issuing Authority	Class	Status
i.		Valencia Nutrition Limited	Device	2828195	Registrar of Trade Marks, Chennai	32	Registered
ii.		Valencia Nutrition Private Limited	Device	3435053	Registrar of Trade Marks, Chennai	32	Registered
iii.		Valencia Nutrition Private Limited	Colour	2977367	Registrar of Trade Marks, Chennai	32	Registered
iv.		Valencia Nutrition Private Limited	Device	3656103	Registrar of Trade Marks, Chennai	32	Opposed

## VII. PENDING APPROVALS

1. The Company is in the process of obtaining the Certificate of Registration under Karnataka Shops and Establishments Act, 1961 for its registered office situated at No 134, 6th main, 1st block, 3rd stage, Banashankari, Bangalore, 560085;
2. The Company is in the process of obtaining the Certificate of Registration under Karnataka Shops and Establishments Act, 1961 for its corporate office situated at Room No. 11, Basement Floor, 7<sup>th</sup> Block, 33<sup>rd</sup> Main Road, BSK 3<sup>rd</sup> Stage, Banagirinagar, Bangalore – 560 085;
3. The Company is in the process of obtaining the Certificate of Registration under Karnataka Shops and Establishments Act, 1961 for its warehouse situated at No. 138/A, 1<sup>st</sup> Block, 2<sup>nd</sup> stage Nagarabhavi, Bangalore-560072; and
4. The Company is in the process of obtaining the Trade license under Schedule X under Karnataka Municipal Corporation Act, 1976.

## SECTION VIII – OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

Our Board of Directors have vide resolution dated November 13, 2019 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra-Ordinary General Meeting held with shorter notice on November 15, 2019, in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

The Offer for Sale has been authorised by the Selling Shareholders by their consent letter dated November 13, 2019 and the No. of Equity Shares offered are as follows:

Sr. No.	Names of Selling Shareholders	No. of Equity Shares Offered
1.	Mr. Rajkumar Elango	1,17,000
2.	Mr. Venu Gopal Nambiar	75,000
3.	Mrs. Rachel Kattukaran	75,000
<b>Total</b>		<b>2,67,000</b>

The Selling Shareholders have severally confirmed that the Equity Shares proposed to be offered and sold in the Issue are eligible in term of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights. The Selling Shareholders have also severally confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale.

The Company has obtained approval from BSE vide letter dated [•] to use the name of BSE in this Offer Document for listing of equity shares on the BSE StartUp Segment under SME Platform of the BSE Limited. BSE is the designated stock exchange.

### Prohibition by SEBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoters, Selling Shareholders, Group Company and entities forming part of our Promoter Group, person in control of our Company from accessing the capital market or operating in the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority / court as on the date of this Draft Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

### Prohibition by RBI

Neither our Company nor any of our Promoters, Selling Shareholders or Directors has been declared as wilful defaulter(s) by the RBI or any other governmental authority.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of the Draft Prospectus.

### Association with Securities Market

None of our Directors are, in any manner, associated with the securities market and there has been no action initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Prospectus.



## **Eligibility for the Issue**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulation; and this Issue is an “Initial Public Issue” in terms of the SEBI (ICDR) Regulations.

This Issue is being made in terms of Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post Issue face value capital does not exceed ten crores rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the BSE StartUp Segment under SME Platform of BSE Limited).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of BSE StartUp Segment under SME platform of the BSE Limited

- a. Our Company was incorporated on April 01, 2013, with the Registrar of Companies, Bangalore under the Companies Act, 1956 in India, hence is in existence for a minimum period of 2 years on the date of filing the prospectus with BSE.
- b. Our Company is in Bio-Technology sector.
- c. Our Company paid-up capital is ₹ 428.03 lakhs which is more than ₹ 1 crore as on the date of this Draft Prospectus.
- d. As on the date of this Draft Prospectus, our Company has a total paid up capital of ₹ 428.03 lakhs comprising 42,80,341 Equity Shares and the Post Issue Capital will be of ₹ 558.53 lakhs which is below ₹ 10.00 crores.
- e. As per the Restated Financial disclosed in this Draft Prospectus, the Networth (excluding revaluation reserves) of the Company is ₹ 75.15 lakhs as on June 30, 2019 and hence the Networth is positive.

## **Other Disclosures:**

- a. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- b. Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
- c. There is no winding up petition against the company, which has been accepted by the National Company Law Tribunal (NCLT).
- d. There has been no change in the Promoter(s) of the Company in the preceding one year from date of filing application to BSE for listing on BSE StartUp segment under SME Platform of BSE Limited.
- e. Our company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.
- f. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
- g. We have a website: [www.valencianutrition.com](http://www.valencianutrition.com)
- h. None of the Directors of our Company have been categorized as a Wilful Defaulter.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the BSE StartUp segment under SME Platform of BSE Limited. BSE Limited is the Designated Stock Exchange.

- Our Company has entered into an agreement dated June 13, 2019 with NSDL and agreement dated June 11, 2019 with CDSL for dematerialisation of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoters are in dematerialised form.
- Our Company has made firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the fresh issue proceeds, excluding the amount to be raised through the proposed public issue or through existing identifiable internal accruals. For details, please refer the chapter “*Objects of the Issue*” on page no. 63 of this Draft Prospectus.

Our Company confirms that it has complied with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoters or Directors are promoters or directors of any other companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a wilful defaulter.
- (d) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such Issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Further, in accordance with Regulation 268 (1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER ARYAMAN FINANCIAL SERVICES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [•] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS.**

**Note:**

All legal requirements pertaining to the Issue will be complied with at the time of registration of this Draft Prospectus with the RoC in terms of section 26, 28 and 30 of the Companies Act, 2013.

**Disclaimer from our Company, the Selling Shareholders, the Directors and the Lead Manager**

Our Company, the Selling Shareholders, the Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

**Disclaimer in respect of Jurisdiction**

This Issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**Disclaimer Clause of the BSE**

As required, a copy of the Draft Prospectus shall be submitted to the BSE StartUp Segment under SME Platform of BSE Limited. The Disclaimer Clause as intimated by the BSE StartUp Segment under SME Platform of BSE Limited to us, post scrutiny of the Draft Prospectus, shall be included in the Prospectus prior to the filing with RoC.

### Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### Listing

Application have been made to BSE StartUp Segment under SME Platform of BSE Limited for obtaining permission for listing of the Equity Shares being offered and sold in the issue on its BSE StartUp Segment under SME Platform of BSE Limited after the allotment in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of the Equity Shares on the BSE StartUp Segment under SME Platform of BSE Limited is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within fifteen days from the closure of the Issue or such lesser time as may be specified by Securities and Exchange Board or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE StartUp Segment under SME Platform of BSE Limited mentioned above are taken within 6 Working Days of the Issue Closing Date.

The Company has obtained approval from BSE vide letter dated [•] to use the name of BSE in this Offer document for listing of equity shares on BSE StartUp Segment under SME Platform of BSE Limited.

### Price Information of past issues handled by the Lead Manager

Sr. No.	Issue Name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing	
1.	Vishwaraj Sugar Industries Ltd	60.00	60.00	15/10/2019	61.20	10.38%	5.58%	N.A	N.A	N.A	N.A
2.	Galactico Corporate Services Ltd	3.70	23.00	09/10/2019	23.20	0.00%	6.48%	N.A	N.A	N.A	N.A
3.	Shiv Aum Steels Ltd	15.48	44.00	01/10/2019	44.25	0.57%	4.56%	N.A	N.A	N.A	N.A
4.	Transpact Enterprises Ltd	1.35	130.00	05/09/2019	132.50	4.62%	2.81%	N.A	N.A	N.A	N.A
5.	Meera Industries Ltd <sup>(1)</sup>	11.75	22.05	26/06/2019	215.00	-6.04%	-4.32%	-17.78%	-1.25%	N.A	N.A
6.	Roopshri Resorts Ltd	3.60	20.00	01/04/2019	20.25	1.25%	0.41%	1.25%	1.34%	12.00%	-0.13%

Sr. No.	Issue Name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing	
7.	Gleam Fabmat Ltd	3.12	10.00	05/03/2019	9.00	-36.50%	6.15%	-45.40%	10.50%	-67.50%	2.44%
8.	DRS Dilip Roadlines Ltd	31.50	75.00	10/12/2018	75.15	1.33%	3.50%	0.33%	5.21%	0.67%	13.18%
9.	Roni Households Ltd	3.00	20.00	03/12/2018	20.05	25.00%	-0.96%	25.00%	-0.49%	25.50%	9.58%
10.	Marine Electricals India Ltd	42.87	66.00	11/10/2018	66.60	21.21%	3.43%	24.17%	6.06%	59.85%	14.04%

<sup>(1)</sup> Equity Shares of Meera Industries Limited was listed on May 15, 2017 on BSE Limited. Aryaman Financial Services Limited was appointed as lead manager for the Further Public Issue by the Company on BSE Limited pursuant to which its additional shares were listed on June 26, 2019.

### Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at discount - 180 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 180 <sup>th</sup> calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-20	6 <sup>(1)</sup>	96.24	-	-	1	-	-	4	-	-	-	-	-	1
2018-19	14 <sup>(2)</sup>	327.66	-	1	1	-	1	9	1	-	2	1	1	9
2017-18	16	318.24	1	1	4	1	1	8	3	3	3	0	0	6

<sup>(1)</sup> Details indicated in 2019-20 are for the public issues completed as on date.

<sup>(2)</sup> As on the 30th Calendar day from the listing day, the price of Galactico Corporate Services Ltd, on 30th and 90th Calendar day from the listing day, the price of Silgo Retail Limited and on 30th Calendar day from the listing day, the price of Saketh Exim Limited is exactly equal to its Issue Price and hence it is neither trading at Premium or Discount

### Notes:

<sup>(2)</sup> Since the listing dates of Vishwaraj Sugar Industries Ltd, Galactico Corporate Services Ltd, Shiv Aum Steels Ltd and Transpact Enterprises Ltd was October 15, 2019, October 09, 2019, October 01, 2019 and September 05, 2019 respectively, information related to closing price and benchmark index as on the 90th calendar day and 180th calendar day from the listing date is not available.

a) Since the listing date of Meera Industries Limited, was June 26, 2019 information related to closing price and benchmark index as on the 180<sup>th</sup> Calendar day from the listing date is not available.

b) The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.

c) In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.

d) Source: www.bseindia.com and www.nseindia.com BSE Sensex and Nifty Fifty as the Benchmark Indices

### **Track record of past issues handled by the Lead Manager**

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please see the website of Aryaman Financial Services Limited – [www.afsl.co.in](http://www.afsl.co.in).

### **Consents**

Consents in writing of: (a) the Selling Shareholders, the Directors, the Chief Financial Officer, Company Secretary & Compliance Officer and the Statutory Auditor; and (b) the Lead Manager, Registrar to the Issue, the Legal Advisor to the Issue, Banker to the Company, Banker to the Issue\*, Share Escrow Agent, Market Maker and Underwriters to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 and 28 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Draft Prospectus for registration with the RoC.

*\*will be obtained prior to filing of Prospectus with RoC*

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, M/s. Balakrishna & Co., Chartered Accountants, have provided their written consent to the inclusion of their reports dated November 16, 2019 on Restated Financial Statements and to the inclusion of their reports dated November 16, 2019 on Statement of Tax Benefits, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Draft Prospectus.

### **Expert Opinion**

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

Our Company has received written consent from the Statutory Auditor namely, M/s. Balakrishna & Co., Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports on the Statement of Tax Benefits dated November 16, 2019, and on the Restated Financial Statements dated November 16, 2019 and issued by them, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

### **Caution**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MoU for Issue Management entered into among the Lead Manager, the Selling Shareholder and our Company dated November 16, 2019, the Underwriting Agreement dated November 16, 2019 entered into among the Underwriter, the Selling Shareholder and our Company and the Market Making Agreement dated November 16, 2019, entered into among the Market Maker, Lead Manager and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

### **Capital Issue during the last five years**

### **Previous Public and Rights Issues**

We have not made any rights to the public and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

### **Commission and Brokerage Paid on Previous Issues of our Equity Shares**

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

### **Capital Issues in the last three (3) years by Listed Group Companies / Subsidiaries / Associates**

None of our Group Company / Associates that are listed on any Stock Exchange has made any Capital Issue in the last three (3) years.

We do not have any subsidiary as on date of this Draft Prospectus.

### **Previous Issues of Equity Shares otherwise than for Cash**

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 49 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than for cash.

### **Performance vis-à-Vis Objects**

#### **Issuer Company**

Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

#### **Listed Subsidiaries / Promoters**

We do not have any Subsidiary or Promoter Company as on date of this Draft Prospectus.

### **Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments issued by the Company**

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

### **Disposal of Investor Grievances**

#### **Mechanism for Redressal of Investor Grievances**

The Company and the Selling Shareholders has appointed Bigshare Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue will handle investor’s grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.



The Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Board by a resolution on November 15, 2019 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee is as follows:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Stavan Ajmera	Non Executive Director	Chairman
Mr. Manish Turakhia	Chairman & Non Executive Director	Member
Mrs. Deepthi Anand	Managing Director	Member

For further details, please see the chapter titled “*Our Management*” beginning on page no. 111 of this Draft Prospectus.

Our Company has also appointed Mr. Adarsha K R, as the Compliance Officer for the Issue and he may be contacted at the Registered Office of our Company.

**Mr. Adarsha K R**

**Address:** D. No. 134, 6<sup>th</sup> Main, 1<sup>st</sup> Block, Banashankari, 3<sup>rd</sup> Stage, Bangalore - 560 085, Karnataka

**Tel No:** +91 80 2679 9552

**Email:** [info@valencianutrition.com](mailto:info@valencianutrition.com)

**Website:** [www.valencianutrition.com](http://www.valencianutrition.com)

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre Issue or post Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

**Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

**Disposal of Investor Grievances by Listed Companies under the same Management**

None of our Group Companies / Associates / Subsidiaries are listed on any Stock Exchange as on the date of filing this Draft Prospectus.

## SECTION IX – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official websites of the concerned stock exchanges for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

#### **Ranking of Equity Shares**

The Equity Shares being issued and transferred shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and shall rank *pari-passu* in all respects including dividend with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please see the section titled "*Main Provisions of the Articles of Association*" beginning on page no. 212 of this Draft Prospectus.

#### **Mode of Payment of Dividend**

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Applicants who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" beginning on page nos. 133 and 212 of this Draft Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Draft Prospectus at the price of ₹ 46 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled "*Basis for Issue Price*" beginning on page no. 70 of this Draft Prospectus.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- ✓ Right to receive dividend, if declared;
- ✓ Right to attend general meetings and exercise voting rights, unless prohibited by law;
- ✓ Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- ✓ Right to receive offer for rights shares and be allotted bonus shares, if announced;
- ✓ Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- ✓ Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- ✓ Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled "*Main Provisions of Articles of Association* " beginning on page no. 212 of this Draft Prospectus.

### **Allotment only in Dematerialised Form**

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

- 1) Tripartite agreement dated June 13, 2019 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
- 2) Tripartite agreement dated June 11, 2019 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

### **Market Lot and Trading Lot**

Trading of the Equity Shares will happen in the minimum contract size of 3,000 Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of 3,000 Equity Share subject to a minimum allotment of 3,000 Equity Shares to the successful Applicants.

### **Minimum Number of Allottees**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 6 Working days of closure of Issue.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 and the rules made there under, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 (3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in

the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- ✓ to register himself or herself as the holder of the Equity Shares; or
- ✓ to make such transfer of the Equity Shares, as the deceased holder could have made

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### **Withdrawal of the Issue**

Our Company and the Selling Shareholders in consultation with the Lead Manager, reserves the right not to proceed with the Fresh Issue and the Selling Shareholder reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of Offered Shares, at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants and the Escrow Collection Bank to release the Application Amounts to the Anchor Investors, within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and the Selling Shareholders, in consultation with the Lead Manager withdraws the Issue after the Application/ Issue Closing Date and thereafter determine that they will proceed with public offering of the Equity Shares, our Company shall file a fresh Draft Prospectus with the Stock Exchanges.

#### **ISSUE PROGRAMME**

An indicative time table in respect of the Issue is set out below:

Event	Indicative Date
Issue Opening Date	[•]
Issue Closing Date	[•]
Finalization of Basis of Allotment with the Designated Stock Exchange	[•]
Initiation of Allotment / Refunds / Unblocking of Funds	[•]
Credit of Equity Shares to demat accounts of Allottees	[•]
Commencement of trading of the Equity Shares on the Stock Exchange	[•]

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the

Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Selling Shareholders nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

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

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

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the offer, our Company shall forthwith refund the entire subscription amount received, if there is a delay beyond eight (8) days, after our Company become liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest as prescribed under the SEBI Regulations, the Companies Act, 2013 and applicable laws.

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through the Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.

The Equity Shares have not been and will not registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the application law of such jurisdiction.

### **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of 3,000 shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the BSE StartUp segment under SME Platform of BSE Limited.

### **Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for the lock-in of the pre-Issue capital of our Company, Promoters' Contribution and the public lock-in as provided in "*Capital Structure*" beginning on page no. 49 of this Draft Prospectus and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, see "*Main Provisions of the Articles of Association*" beginning on page no. 212 of this Draft Prospectus.

### **New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through this Issue.

### **Allotment of Securities in Dematerialised Form**

In accordance with the SEBI ICDR Regulations, 2018 Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

### **Migration to Main Board**

In accordance with the BSE Circular dated November 26, 2012 our Company will have to be mandatorily listed and traded on the BSE StartUp segment under SME Platform of BSE Limited for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations 2018.

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the BSE StartUp segment under SME Platform of BSE Limited on a later date subject to the following:

- If the Paid up Capital of the company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid up Capital of the company is more than ₹ 10 crores and up to ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares issued through this Issue are proposed to be listed on the BSE StartUp segment under SME Platform of BSE Limited, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Maker of the SME Exchange for a minimum period of three years from the date of listing on the BSE StartUp segment under SME Platform of BSE Limited.

For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker, please see the chapter titled *"General Information - Details of the Market Making Arrangement for this Issue"* beginning on page no. 46 of this Draft Prospectus.



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post-issue paid-up capital is less than or equal to ten crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the BSE StartUp segment under SME Platform of BSE Limited). For further details regarding the salient features and terms of such this Issue, please see the chapters titled “*Terms of the Issue*” and “*Issue Procedure*” beginning on page nos. 184 and 192 respectively, of this Draft Prospectus.

Following is the Issue Structure:

*Public Issue of 15,72,000 Equity Shares of ₹ 10 each (“Equity Shares”) for cash at a price of ₹ 46 per Equity Share aggregating to ₹ 723.12 lakhs (“the Issue”) by Valencia Nutrition Limited (“VNL” or the “Company”).*

*The Issue comprises a reservation of 84,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of 14,88,000 Equity Shares of ₹ 10 each (“the Net Issue”). The Issue and the Net Issue will constitute 28.15% and 26.64%, respectively of the post issue paid up equity share capital of the company. The Issue is being made through the Fixed Price Process:*

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation	14,88,000 Equity Shares	84,000 Equity Shares
Percentage of Issue Size available for allocation	94.66% of the Issue Size	5.34% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 3,000 Equity Shares and further allotment in multiples of 3,000 Equity Shares each.	Firm Allotment
Mode of Application	Through ASBA Process Only	Through ASBA Process Only
Minimum Application Size	<p><i>For QIB and NII:</i></p> <p>Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000.</p> <p><i>For Retail Individuals:</i></p> <p>3,000 Equity Shares</p>	3,000 Equity Shares
Maximum Application Size	<p><i>For QIB and NII:</i></p> <p>Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application Size does not exceed 14,88,000 Equity Shares.</p> <p><i>For Retail Individuals:</i></p> <p>Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application Value does not exceed ₹ 2,00,000.</p>	84,000 Equity Shares
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	3,000 Equity Shares	3,000 Equity Shares, however the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR)

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
		Regulations, 2018.
Terms of Payment	Full Application Amount shall be blocked by the SCSBs in the bank account of the Applicants, or by the Sponsor Bank through the UPI Mechanism (for RIIs using the UPI Mechanism) at the time of the submission of the Application Form.	
Application Lot Size	3,000 Equity Share and in multiples of 3,000 Equity Shares thereafter	

**Note:**

- 50% of the Equity Share offered are reserved for allocation to Applicants below or equal to ₹ 2.00 lakhs and the balance for higher amount Applications.
- In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.
- Applicants will be required to confirm and will be deemed to have represented to our Company, the Lead Manager, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.
- SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

**Lot Size**

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price (in ₹)	Lot Size (No. of shares)
Up to 14	10,000
More than 14 up to 18	8,000
More than 18 up to 25	6,000
More than 25 up to 35	4,000
More than 35 up to 50	3,000
More than 50 up to 70	2,000
More than 70 up to 90	1,600
More than 90 up to 120	1,200
More than 120 up to 150	1,000
More than 150 up to 180	800
More than 180 up to 250	600
More than 250 up to 350	400
More than 350 up to 500	300
More than 500 up to 600	240
More than 600 up to 750	200
More than 750 up to 1,000	160
Above 1,000	100

Further to the Circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Lead Manager, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.

## ISSUE PROCEDURE

All Applicants should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 (the “General Information Document”), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations. The General Information Document is available on the websites of the Stock Exchanges and the LMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

The General Information Documents to be included will be updated to reflect the enactments and regulations including the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document will also be available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.

With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company, the Selling Shareholders and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company, the Selling Shareholders and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

### ***Phased implementation of Unified Payments Interface***

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time

required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Applicant would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

**Phase II:** This phase commenced on completion of Phase I and will continue till March 31, 2020. Under this phase, submission of the Application Form by a Retail Individual Applicant through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

**Phase III:** Subsequently, the time duration from public issue closure to listing would be reduced to be three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager.

#### **FIXED PRICE ISSUE PROCEDURE**

The Issue is being made in compliance with the provisions of Reg. 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject compliance with Regulation 253(2) of the SEBI ICDR Regulations and subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (as applicable) shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.**

#### **APPLICATION FORM**

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants (other than Applicants using the UPI Mechanism) must provide bank account details and authorisation to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected. Further Retail Individual Applicants may participate in the Issue through UPI by providing details in the relevant space provided in the Application Form and the Application Forms that do not contain the UPI ID are liable to be rejected.

ASBA Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of Electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and the Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour <sup>(1)</sup>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

<sup>(1)</sup> Excluding electronic Application Form

Designated Intermediaries shall submit Application Forms (except the Application Form for a Retail Applicant using the UPI Mechanism) to SCSBs and shall not submit it to any non-SCSB bank.

In case of ASBA Forms, Designated Intermediaries shall upload the relevant Application details in the electronic Bidding system of the Stock Exchanges. Subsequently, for ASBA Forms (other than RIIs using UPI mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a RIIs using the UPI mechanism) to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. For RIIs using UPI mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

#### Who Can Apply?

In addition to the category of Applicants set forth in the *General Information Document*, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- Scientific and/or industrial research organizations in India, which are authorised to invest in equity shares; and
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and polices applicable to them.

#### **PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER, PROMOTERS, PROMOTER GROUP AND PERSONS RELATED TO PROMOTER/PROMOTER GROUP**

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

The Promoters, Promoter Group, Lead Manager and any persons related to the Lead Manager (except Mutual Funds sponsored by entities related to the Lead Manager) cannot apply in the Issue.

### **APPLICATION BY MUTUAL FUNDS**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

### **APPLICATION by HUFs**

Applications by HUFs Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with Applications from individuals.

### **APPLICATION BY ELIGIBLE NRIs**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIBs applying using the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form. However, NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their Application.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non- Residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents. (white in colour).

Pursuant to the provisions of the FEMA regulations, investments by NRIs under the Portfolio Investment Scheme ("PIS") are subject to certain limits, i.e., 10.00% of the paid-up equity share capital of the company. Such limit for NRI investment under the PIS route can be increased by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has not passed any resolution to increase this limit.



## **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON-REPATRIATION**

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, non-residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

## **APPLICATION BY FPI AND FIIs**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Applications made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, 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 eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent except where pre - approval is provided.



FPIs who wish to participate in the Issue are advised to use the Application Form for Non-Residents (blue in colour).

### **APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company, the Selling Shareholders or the Lead manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company reserves the right to reject any application, without assigning any reason thereof.

### **APPLICATIONS BY INSURANCE COMPANIES**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company and the Selling Shareholders reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDAI Investment Regulations”) are set forth below:

- a. Equity shares of a company: the lower of 10%<sup>(1)</sup> of the investee company’s outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/investment assets in case of a general insurer or a reinsurer;
- b. The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c. The industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

<sup>(1)</sup> *The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“**IRDA Investment Regulations**”).

#### **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

#### **Application by Systemically Important Non-Banking Financial Companies**

In case of Applications made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically Important Non Banking Financial Companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

#### **APPLICATIONS BY BANKING COMPANIES**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (“Banking Regulation Act”), and the Reserve Bank of India (“Financial Services provided by Banks”) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks ‘interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company’s paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company’s paid-up share capital and reserves.

#### **APPLICATIONS BY SCSBS**

SCSBS participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBS are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBS. Further, such account shall be

used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **APPLICATION UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. Our Company in consultation with the Lead manager, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form.

*The above information is given for the benefit of the Applicants. The Company, Selling Shareholders and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

#### **Participation by associates and affiliates of the Lead Manager**

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue in non Retail Portion, where the allocation is on a proportionate basis.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre-issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre-issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

#### **Signing of the Underwriting Agreement and the RoC Filing**

- a) Our Company, the Lead Manager, the Selling Shareholders and the Market Maker have entered into an Underwriting Agreement on November 16, 2019
- b) For terms of the Underwriting Agreement please see chapter titled “General Information” beginning on page no. 40 of this Draft Prospectus.
- c) We will file a copy of the Prospectus with the RoC in terms of Section 26 and all other provision applicable as per Companies Act.

#### **FILING OF THE PROSPECTUS WITH THE ROC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 26 of Companies Act, 2013.

- a) **Designated Date and Allotment of Equity Shares Designated Date:** On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.
- c) Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will make the allotment of the equity shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

**Designated Date:** On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 6 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

#### **Availability of the Prospectus and the Application Forms:**

Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

#### **Information for the Applicants**

In addition to the instructions provided to the Applicants in the *General Information Document f*, Applicants are requested to note the following additional information in relation to the Issue.

1. The relevant Designated Intermediary will enter each Application into the Electronic Bidding System and generate an acknowledgement slip (“**Acknowledgement Slip**”), and give the same to the Applicant. It is the Applicant’s responsibility to obtain the TRS from the relevant Designated Intermediary. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/ Allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When a Applicant revises his or her Application (in case of revision in the Price), he /she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Application.
2. In relation to electronic registration of Applications, the permission given by the Stock Exchanges to use their network and software of the Electronic Bidding System should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
3. In the event of an upward revision in the Price, Retail Individual Applicants could either (i) revise their Application or (ii) shall make additional payment based on the revised Price (such that the total amount i.e., original Application Amount plus additional payment does not exceed ₹ 200,000. The revised Applications must

be submitted to the same Designated Intermediary to whom the original Application was submitted. If the total amount (i.e., the original Application Amount plus additional payment) exceeds ₹ 200,000, the Applicant will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Applicant does not either revise the Application or make additional payment the number of Equity Shares applied for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Applicant and the Retail Individual Applicant is deemed to have approved such revised Application.

4. In the event of a downward revision in the Price, Retail Individual Applicant may revise their Application; otherwise, the excess amount paid at the time of Application would be unblocked after Allotment is finalised.
5. Any revision of the Application shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Application.

**The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.**

### **General Instructions**

#### **Do's:**

- 1) Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- 2) Read all the instructions carefully and complete the Application Form in the prescribed form;
- 3) Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- 4) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary;
- 5) If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- 6) Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- 7) Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
- 8) Ensure that you request for and receive a stamped acknowledgement of your Application;
- 9) Retail Applicants using the UPI mechanism should ensure that the correct UPI ID is mentioned in the Application Form;
- 10) Retail Applicants shall ensure that the bank, with which such Retail Applicants has a bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by the NPCI;
- 11) Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);

- 12) Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 13) Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- 14) Ensure that the Demographic Details are updated, true and correct in all respects;
- 15) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- 16) Ensure that the category and the investor status is indicated;
- 17) Ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- 18) Ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- 19) Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- 20) Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- 21) For Retail Applicants using the UPI mechanism, ensure that you approve the request generated by the Sponsor Bank to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner;
- 22) Retail Applicants shall ensure that details of the Applications are reviewed and verified by opening the attachment in the UPI mandate request and then proceed to authorize the UPI request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Retail Applicant may be deemed to have verified the attachment containing the application details of the Retail Applicant in the UPI mandate request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount mentioned in the Application Form;
- 23) Retail Applicants using the UPI mechanism should mention valid UPI ID of only the Applicant (in case of single account) and of the first Applicant (in case of joint account) in the Application Form;
- 24) Retail Applicants using the UPI mechanism, who have revised their Application subsequent to making the initial Application, should also approve the revised request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount and subsequent debit of funds in case of allotment in a timely manner;
- 25) Ensure that you have mentioned the correct ASBA Account number in the Application Form;



- 26) Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- 27) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- 28) The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not apply at a Price different from the Price mentioned herein or in the Application Form;
- 3) Do not apply by another Application Form after submission of Application to the Designated Intermediary.
- 4) Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
- 5) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- 6) Do not submit the Application Forms to any non-SCSB bank or our Company;
- 7) Do not apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;
- 8) Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- 9) Do not apply for a Application Amount exceeding K 200,000 (for Applications by Retail Individual Applicants);
- 10) Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- 11) Do not submit the General Index Register number instead of the PAN;
- 12) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- 13) Do not submit more than 1 Application Form for each UPI ID in case of Retail Applicants Applying through the Designated Intermediary using the UPI Mechanism;
- 14) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 15) Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 16) Do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- 17) Do not make applications using third party bank accounts or using third party linked bank account UPI IDs;
- 18) Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Retail Applicants using the UPI mechanism;



- 19) Do not submit incorrect UPI ID details, if you are a Retail Applicants applying through UPI Mechanism;
- 20) Do not submit more than One Application Form per ASBA Account;
- 21) Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise
- 22) If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 p.m. on the Issue Closing Date;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

In addition to the instructions for completing the Application Form provided in the sub-section “*General Information Document for Investing in Public Offers – Applying in the Issue – Instructions for filing the Bid cum Application Form / Application Form*” Applicants are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Applications must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).
2. Applications must be made in a single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Prospectus and in the Application Form.
3. Applications on a repatriation basis shall be in the names of FIIs or FPIs but not in the names of minors, OCBs, firms or partnerships and foreign nationals.

### **Payment instructions**

The entire Issue Price of ₹ 46 per Equity Share is payable on Application. In case of allotment of lesser number of Equity Shares than the number applied, then the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

### **Issuance of a Confirmation of Allocation Note (“CAN”) and Allotment in the Issue**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant.

### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

3. For applications where the proportionate allotment works out to less than 3,000 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 3,000 equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the draws of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 3,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 3,000 equity shares subject to a minimum allotment of 3,000 equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.
6. Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
  - a) The 50% net Issue of shares to the Public (i.e. 7,44,000 Equity Shares) shall be made available for allotment to retail individual investors; and
  - b) The balance net Issue of shares to the public (i.e. 7,44,000 Equity Shares) shall be made available for allotment to Non-Institutional Investors, including Qualified Institution Buyers, Corporate Bodies/ Institutions.
  - c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

Explanation: If the retails individual investor category is entitled to more than allocated portion on proportionate basis, the retails individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled “*Basis of Allotment*” on page no. 204 of this Draft Prospectus.

“Retail Individual Investor” means an investor who applies for shares of value of not more than ₹ 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the BSE StartUp segment under SME Platform of BSE Limited.

In the event of under subscription in the Issue, the obligations of the Underwriter shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified in page no. 187 shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the BSE StartUp segment under SME Platform of BSE Limited – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

## **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

## **GROUND FOR REJECTIONS**

In addition to the grounds for rejection of Application on technical grounds as provided in the “*General Information Document for Investing in Public Offers*” Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Applications submitted without payment of the entire Application Amount;
2. Applications submitted by Applicants which do not contain details of the Application Amount and the bank account details / UPI ID in the Application Form;
3. Applications submitted on a plain paper;
4. Applications submitted by Applicants using third party bank accounts or using a third party linked bank account UPI ID;
5. Applications by HUFs not mentioned correctly as given in the sub-section “*Who can Apply?*” on page no. 194 of this Draft Prospectus;
6. Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Application submitted without the signature of the First Applicant or sole Applicants;
8. Applications by person for whom PAN details have not been verified and whose beneficiary accounts are ‘suspended for credit’ in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July29, 2010;
9. GIR number furnished instead of PAN;
10. Application by Retail Individual Applicants with Application Amount for a value of more than ₹ 200,000
11. Applications by person who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
12. Applications by Applicants (who are not Anchor Investors) accompanied by cheques or demand drafts;
13. Applications accompanied by stock invest, money order, postal order or cash;
14. Application by OCB.

## **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Tripartite agreement dated June 13, 2019 with NSDL, our Company and Registrar to the Issue;
- Tripartite agreement dated June 11, 2019 with CDSL, our Company and Registrar to the Issue;
- The Company’s shares bear an ISIN: INE0B6101012.

## **DESIGNATED DATE AND ALLOTMENT**

- (a) Our Company will ensure that the Allotment and credit to the successful Applicants' depository account will be completed within six Working Days, or such period as may be prescribed by SEBI, of the Issue Closing Date or such other period as may be prescribed.
- (b) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
- (c) Allottees will have the option to re-materialise the Equity Shares so allotted as per the provisions of the Companies Act, 2013 and the Depositories Act.

## **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application Form, name and address of the SCSB / Designated Intermediary, where the Application was submitted and bank account number in which the amount equivalent to the Application Amount was blocked.

Applicants can contact the Compliance Officer or the Registrar in case of any pre-issue or post-issue related problems such as non-receipt of letters of Allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Applications submitted to the Designated Branches of the SCSBs, the Applicants can contact the Designated Branches of the SCSBs

## **Letters of Allotment or Refund Orders or Instructions to the SCSBs**

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 6 Working Days from the Issue Closing Date. The Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful Applications within 6 Working Days of the Issue Closing Date.

## **Mode of Refund**

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

## **Interest in Case of Delay in Allotment or Refund**

The Issuer shall allot the equity shares offered to the public within the period prescribed by the Board. The Issuer may pay interest at the rate of 15% per annum in case demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within 15 Days of the Issue Closing Date.

## **Impersonation**

**Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:**

**“Any person who:**

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**

**c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447”**

### **Undertaking by our Company**

We undertake the following:

- 1) If our Company does not proceed with the Issue after the Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 2) If our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 3) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- 4) All steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date;
- 5) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Issue Closing Date, or such time period as specified by SEBI, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 6) The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 7) Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period;
- 8) The certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time;
- 9) No further Issue of Equity Shares shall be made till the Equity Shares offered through this Issue Document are listed or until the Application monies are refunded on account of non-listing, under-subscription etc;
- 10) Adequate arrangements shall be made to collect all Application Forms and

### **Undertaking by the Selling Shareholders**

Only statements and undertakings which are specifically “confirmed” or “undertaken” by the Selling Shareholders in this Draft Prospectus shall be deemed to be “statements and undertakings made by the Selling Shareholders”. All other statements and/ or undertakings in this Draft Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholders. Each Selling Shareholder severally and not jointly, specifically confirms and undertakes the following in respect of itself and the Equity Shares being offered by it pursuant to the Offer for Sale:

1. Its respective portion of the offered Shares shall be transferred in the offer free and clear of any pre-emptive rights, liens, mortgages, charges, pledges, trusts or any other encumbrance or transfer restrictions, both present and future, in a manner prescribed under Applicable Law in relation to the Issue, and without any objection by it and in accordance with the instructions of the Registrar to the Issue.
2. Its respective portion of the offered Shares have been held by such Selling Shareholders for a minimum period of one year prior to the date of filing the Draft Prospectus, such period determined in accordance with Regulation 26 (6) of the SEBI ICDR Regulations.

3. It is the legal and beneficial owner and has full title of its respective portion of the offered Shares.
4. That it shall provide all reasonable co-operation as requested by our Company and the LM in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of its respective portion of the offered Shares.
5. It will not have recourse to the proceeds of the Offer for Sale, until approval for final listing and trading of the Equity Shares is received from the Stock Exchanges.
6. It will deposit its respective portion of the offered Shares in an escrow account opened with the Share Escrow Agent prior to filing of this Draft Prospectus with the RoC.
7. It shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Application in the Issue, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person who makes a Application in the Issue.
8. That it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the LM in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Issue.

The Selling Shareholders have authorized the Company Secretary and Compliance Officer of our Company and the Registrar to the Issue to redress any complaints received from Applicants in respect of the Offer for Sale.

#### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the FEMA and various regulations made thereunder. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”) makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DIPP also issues the Consolidated Foreign Direct Investment Policy (“**FDI Policy**”) from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master directions, press notes, press releases, and clarifications among other amendments.

India’s current FDI Policy issued by the DIPP with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP till August 27, 2017. All the press notes, press releases, clarifications on FDI issued by DIPP till August 27, 2017 stand rescinded as on August 28, 2017. In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made.

FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

Foreign investment is allowed up to 100% under automatic route in our Company. For further details please see the chapter titled “*Key Industry Regulations and Policies*” beginning on page 100 of this Draft Prospectus.

RBI has also issued Master Direction- Foreign Investment in India dated January 4, 2018 (“**Master Direction**”). In terms of the Master Direction, an Indian company may issue fresh shares to person’s resident outside India (who meets the prescribed eligibility criteria). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Direction.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (“**the Rules**”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India.

Eligible NRIs and OCIs investing on repatriation basis are subject to individual investment limit of 5% of the total paid-up equity capital on a fully diluted basis. The aggregate paid value of the shares purchased by all NRIs and OCIs put together on repatriation basis cannot exceed 10% of the total paid-up equity capital on a fully diluted basis and such transaction must be conducted on a recognized stock exchange. The aggregate limit of 10% in case of NRIs and OCIs together may be raised to 24 % if a special resolution to that effect is passed by the Shareholders of the Company.

Further, SEBI registered FPIs have been permitted to purchase shares of the Company through the Issue, subject to total FPI investment being within the individual FPI/sub account investment limit of 10% subject to the total holdings of all FPIs/sub accounts put together, including any other direct and indirect foreign investments in the Company permitted under the Rules, not exceeding 24% of the paid-up equity capital of the Indian Company on a fully diluted basis. With effect from April 1, 2020, this aggregate limit of 24% shall increase to the sectorial cap applicable to the Indian Company which in case of our Company is 100%. Further, the aggregate limit as provided above may be decreased by the Company to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors through a resolution and also of its shareholders by means of a special resolution, before 31<sup>st</sup> March, 2020. In the event the Company decreases its aggregate limit to 24% or 49% or 74%, then it may increase such aggregate limit to 49% or 74% or the sectorial cap or statutory ceiling, respectively as deemed fit, with the approval of its Board of Directors through a resolution and of its shareholders by means of a special resolution. However, once the aggregate limit has been increased to a higher threshold, the Company cannot reduce the same to a lower threshold.

Currently, our Company has not passed resolution for increasing the limit from 24% to 100% of the paid-up equity share capital, and also the investment by NRIs on repatriation basis in our Company from 10% to 24% of the paid-up equity share capital. Eligible NRIs and OCIs investing on non-repatriation basis can purchase equity shares without any limit on a stock exchange or outside it and such investment shall be deemed to be domestic investment.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of



the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (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 the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Applicants. Our Company, the Selling Shareholders and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.**

## **SECTION X – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

Pursuant to the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association.

Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

### **Public Company**

3. The company is a Public Company within the meaning of section 2(71) of the Companies Act, 2013.

### **Share capital and variation of rights**

4. (i) The Authorised Share Capital of the Company shall be as laid down in Memorandum of Association of the Company.

(ii) Subject to the provisions of the Companies Act 2013 and the applicable Rules made thereunder, the Company / Board shall have power to issue / allot shares, whether on preferential basis or otherwise, from time to time and the shares shall be under the control of the Directors who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such times as the Directors think fit.

5. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided:—

(a) One certificate for all his shares without payment of any charges; or

(b) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

6. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The company may issue new share certificates pursuant to consolidation or sub division of share certificate(s) upon written request received from shareholder together with production and surrender of respective original share certificate(s). Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(iii) The provisions of Articles (5) and (6) shall mutatis mutandis apply to debentures of the company.

7. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

8. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
  - (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
  - (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
9. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48 and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
  - (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
10. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
11. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### **Lien**

12. (i) The Company shall have a first and paramount lien—
  - (a) On every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) On all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

  - (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
  - (iii) The fully paid shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to monies called or payable at a fixed time in respect of such shares.
13. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

  - (a) unless a sum in respect of which the lien exists is presently payable; or
  - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

14. (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.  
  
(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.  
  
(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
15. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.  
  
(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### **Calls on shares**

16. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:  
  
Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.  
  
(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.  
  
(iii) A call may be revoked or postponed at the discretion of the Board.  
  
(iv) The option or right to make call on shares shall not be given to any person except with the sanction of the Company in General Meetings. That is, it may delegate power to make calls on shares subject to approval of the shareholders in a general meeting of the company.
17. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
19. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. Per annum or at such lower rate, if any, as the Board may determine.  
  
(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
20. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.  
  
(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
21. The Board—
  - (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not confer a right to dividend or to participate in profits.

#### **Transfer of shares**

22. (i) The Company shall use a Common form of transfer. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
23. The Board may, subject to the right of appeal conferred by section 58 decline to register—
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the company has a lien.
24. The Board may decline to recognize any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) The instrument of transfer is in respect of only one class of shares.
25. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
26. Subject to the provisions of Section 59 of Companies Act, 2013, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

#### **Transmission of Shares**

27. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
28. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

- (a) to be registered himself as holder of the share; or
  - (b) To make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
29. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
30. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

#### **Forfeiture of Shares**

31. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
32. The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
33. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
34. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
35. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
36. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (iii) The transferee shall thereupon be registered as the holder of the share
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
37. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **Alteration of Capital**

38. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. The Authorised Share Capital shall be as per the clause V (a) of Memorandum of Association of the company.
39. Subject to the provisions of section 61, the company may, by ordinary resolution,—
- (a) increase its authorized share capital by such amount as it thinks expedient.
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
40. Where shares are converted into stock,—
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
- Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.



(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

41. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,—
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.

#### **Capitalization of profits**

42. (i) The company in general meeting may, upon the recommendation of the Board resolve—
- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, Securities Premium Accounts or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
- A. paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - B. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - C. partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
- (iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
- (iv) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
43. (i) whenever such a resolution as aforesaid shall have been passed, the Board shall—
- a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and
  - b) Generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
- a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

## Dematerialisation of Securities

### 44. (i) For the purpose of this Article:-

"Beneficial Owner": Beneficial Owner shall have the meaning assigned thereto in section 2(1)(a) of the Depositories Act, 1996.

"Depositories Act": Depositories Act shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

"Depository": Depository shall mean a Depository as defined in section 2(1)(e) of the Depositories Act, 1996.

"Member": Member shall mean a duly registered holder from time to time of the security of the company and includes every person whose name is entered as beneficial owner in the records of the Depository.

"Security": Security shall mean such security as may be specified by SEBI.

- (ii) **"Dematerialisation of Securities"**: Notwithstanding anything on the contrary contained in this Article, the company shall be entitled to dematerialize its securities and to offer securities in a dematerialised form and further to rematerialize the securities held on depository pursuant to the Depositories Act, 1996 or any amendment thereof.
- (iii) **"Option to hold securities in physical form or with depository"**: Every person holding securities of the company through allotment or otherwise shall have the option to receive and hold the same in the dematerialised form with a depository.
- (iv) **"Beneficial Owner may opt out of a Depository"**: Every person holding securities of the company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and the Rules, if any, prescribed there under and on fulfillment of the conditions prescribed by the company from time to time, company shall issue the relevant security certificates to the beneficial owner thereof.
- (v) **"Securities in Depositories to be in fungible form"**: All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
- (vi) **"Rights of depository and beneficial owners"**: A depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.
- (vii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all rights and benefits and be subject to all the liabilities in respect of his/her securities, which are held by a depository.
- (viii) **"Transfer of securities"**: Transfer of security held in a depository will be governed by the provisions of the Depository Act, 1996. Nothing contained in Section 56 of the Companies Act, 2013 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- (ix) **"Register and Index of beneficial owners"**: The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

- (x) **"Other matters"**: Notwithstanding anything contained in these Articles, the provision of Depositories Act, 1996 relating to dematerialisation of securities including any modification(s) or re-enactment thereof and Rules/Regulations made there under shall prevail accordingly.
- (xi) Notwithstanding anything contained in the Act or the Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or disks.

#### **Nomination**

- 45. Notwithstanding anything contained in Articles, every holder of shares(s) or debenture(s) of the Company may, at any time, nominate, in the prescribed manner, a person to whom these share(s) shall vest in the event of his death and the provisions of Section 109A and Section 109B of the Companies Act, 1956 shall apply in respect of such nomination.

The provisions of this Article shall apply mutatis mutandis to a depository of money with the Company as per the provisions of the Act.

#### **Buy-Back of Shares**

- 46. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **General Meetings**

- 47. All general meetings other than Annual General Meeting shall be called extraordinary general meeting.
- 48. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
  - (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### **Proceedings at General Meetings**

- 49. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when a meeting proceeds to business.
  - (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
  - (iii) The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
  - (iv) If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
  - (v) If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### **Adjournment of Meeting**

- 50. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **Voting Rights**

- 51. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
  - (a) on a show of hands, every member present in person shall have one vote; and
  - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
- 52. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
- 53. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
  - (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
- 54. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
- 55. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- 56. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
- 57. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
  - (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

### **Proxy**

- 58. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
- 59. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
- 60. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **Board of Directors**

61. Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (Fifteen).
62. (i) Subject to the provisions of the Act, the Company may pay any remuneration, as determined by the Board of Directors / General Meeting to all or any of its Directors for the services rendered by them / him in day to day management of the affairs of the company or any other type of services, whether professional in nature or not, for any of the purposes of the company, either by a fixed sum on monthly or annual basis and / or perquisites and / or a percentage of the profits or otherwise as may be determined by the Board or the members in General Meeting

The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
  - (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
  - (b) in connection with the business of the company.

63. The Board may pay all expenses incurred in getting up and registering the company.
64. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
65. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
66. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
67. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
  - (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

### **Proceedings of the Board**

68. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
  - (ii) Subject to the Articles herein, a director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
  - (iii) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(iv) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

69. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
70. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
71. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
72. (i) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
73. A committee may elect a Chairperson of its meetings.
74. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
75. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
76. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
77. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

**Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

78. Subject to the provisions of the Act,—
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
79. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

### **Managing Director**

80. The business of the Company may be carried on by the Managing Director(s) who may be appointed by the Board of Directors / members in their General Meeting, from time to time who shall fix the terms, qualifications, remuneration, duties, authorities and powers. The Board may from time to time and subject to the provisions of the Act delegate to the Managing Director(s) such of their powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time, revoke, withdraw, alter or vary all or any of the powers conferred on him or dismiss him from office and appoint another in his place.
81. Subject to the provisions of section 179 and 180 of the Companies Act, 2013, the Managing Director of the Company, if any, shall be empowered to carry on the day to day business affairs of the Company. He shall have the general control, management and superintendence of the business of the Company with power to appoint and to dismiss employees and to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts, deeds and things which in the ordinary course of business may be considered necessary/proper or in the interest of the Company.

### **The Seal**

82. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

### **Dividends and Reserve**

83. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
84. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
85. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
86. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.



87. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
88. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
89. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
90. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
91. No dividend shall bear interest against the company.
92. No unclaimed Dividend shall be forfeited before the claim becomes barred by law, and unclaimed Dividends shall be dealt with in accordance with the applicable provisions of the Act

#### **Accounts**

93. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.

#### **Winding Up**

94. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
95. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
96. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **Indemnity**

97. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## **SECTION XI – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The copies of the following contracts which have been entered or are to be entered into by the Company (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material have been attached to the copy of the Draft Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from Application/Issue Opening Date until the Application/Issue Closing Date.

#### **A. Material Contracts**

1. Memorandum of Understanding dated November 16, 2019 between our Company, the Selling Shareholders and the Lead Manager.
2. Memorandum of Understanding dated November 16, 2019 between our Company and the Registrar to the Issue.
3. Escrow Agreement dated [•] between our Company, the Selling Shareholders, the Lead Manager, Escrow Collection Bank(s) and the Registrar to the Issue.
4. Market Making Agreement dated November 16, 2019 between our Company, the Lead Manager and Market Maker.
5. Underwriting Agreement dated November 16, 2019 between our Company, the Selling Shareholders, the Lead Manager and Market Maker.
6. Share Escrow Agreement dated November 16, 2019 between the Selling Shareholders, our Company, the Lead Manager and the Share Escrow Agent.
7. Tripartite agreement between the NSDL, our Company and the Registrar dated June 13, 2019.
8. Tripartite agreement between the CDSL, our Company and the Registrar dated June 11, 2019.

#### **B. Material Documents**

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Copy of Certificates of Incorporation of Valencia Nutrition Limited.
3. Resolution of the Board of Directors meeting dated November 13, 2019 authorizing the issue.
4. Shareholders' resolution passed at the EGM dated November 15, 2019 authorizing the issue.
5. Auditor's report for Restated Financials dated November 16, 2019 included in this Draft Prospectus.
6. The Statement of Tax Benefits dated November 16, 2019 from our Statutory Auditors.
7. Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker and Underwriters as referred to in their specific capacities.
8. Due Diligence Certificate(s) dated [•] of the Lead Manager to be submitted to SEBI along with the filing of the Prospectus.

9. Approval from BSE vide letter dated [•] to use the name of BSE in this Offer Document for listing of Equity Shares on the BSE StartUp Segment under SME Platform of the BSE Limited.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY:

\_\_\_\_\_

**Mrs. Deepthi Anand**  
Managing Director

\_\_\_\_\_

**Mr. Manish Turakhia**  
Chairman & Non-Executive Director

\_\_\_\_\_

**Ms. Prabhha Shankarran**  
Executive Director

\_\_\_\_\_

**Mr. Stavan Ajmera**  
Non-Executive Director

\_\_\_\_\_

**Mr. Haresh Sanghvi**  
Non-Executive Independent Director

\_\_\_\_\_

**Mr. Guhesh Ramanathan**  
Non-Executive Independent Director

### SIGNED BY THE CHIEF FINANCIAL OFFICER

\_\_\_\_\_

**Mr. Peeyush Agrawal**  
Chief Financial Officer

### SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

\_\_\_\_\_

**Mr. Adarsha K R**  
Company secretary & Compliance Officer

Date: November 19, 2019  
Place: Bengaluru

### **DECLARATION**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Prospectus about or in relation to himself and the Equity Shares being offered by him in the Issue are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholders or any expert or any other person(s) in this Draft Prospectus.

**SIGNED ON BEHALF OF THE SELLING SHAREHOLDER BY ITS DULY CONSTITUTED ATTORNEY HOLDER**

\_\_\_\_\_

**Mrs. Deepthi Anand (as the duly constituted power of attorney holder for the Mr. Rajkumar Elango, the Selling Shareholder)**

Date: November 19, 2019  
Place: Bengaluru

### **DECLARATION**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Prospectus about or in relation to himself and the Equity Shares being offered by him in the Issue are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholders or any expert or any other person(s) in this Draft Prospectus.

### **SIGNED BY THE SELLING SHAREHOLDER**

\_\_\_\_\_ **Mr. Venu Gopal Nambiar**

Date: November 19, 2019

Place: Bengaluru

### **DECLARATION**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Prospectus about or in relation to herself and the Equity Shares being offered by her in the Issue are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholders or any expert or any other person(s) in this Draft Prospectus.

### **SIGNED BY THE SELLING SHAREHOLDER**

\_\_\_\_\_ **Mrs. Rachel Kattukaran**

Date: November 19, 2019

Place: Bengaluru