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HARSHDEEP

HARSHDEEP HORTICO LIMITED
CIN: U26994MH2022PLC396421

Our Company was originally incorporated as a Limited Company under the name "Harshdeep Hortico Limited" on December 30, 2022 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Mumbai, Maharashtra bearing CIN U26994MH2022PLC396421. Later, on April 03, 2023, our Company took over the business of proprietorship concern of the promoter Hitesh Chunilal Shah, namely M/s Harshdeep Agro Products along with the assets and liabilities of the proprietorship concern as going concern. For further details, please refer to chapter titled "History and Corporate Structure" beginning on page 105 of this Draft Red Herring Prospectus.

Registered Office: Building No.1 Shree Sai Logistics, Survey No.18/2E 18/2P 17/2A, 17/2B Part, Elkunde, Bhiwandi, Thane- 421302, Maharashtra, India.

Tel No: +91-94245-0422; **E-mail:** cs@harshdeepindia.com **Website:** <https://harshdeepindia.com/>

Contact Person: Shreya Gandhi, Company Secretary & Compliance Officer

PROMOTER OF OUR COMPANY: HITESH CHUNILAL SHAH

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED NOVEMBER 16, 2023: NOTICE TO THE INVESTORS ("THE ADDENDUM")

INITIAL PUBLIC OFFER OF UPTO 42,42,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH ("EQUITY SHARES") OF HARSHDEEP HORTICO LIMITED ("OUR COMPANY" OR "THE ISSUER" OR "HHL") AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹[●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH 2,16,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH, AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹[●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 40,26,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹[●] LAKHS IS HERE INAFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.36% AND 25.02% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Potential Bidders may note the following:

1. The Chapter titled "General Information" beginning on page 42 of the Draft Red Herring Prospectus has been updated;
2. The Chapter titled "Capital Structure" beginning on page 51 of the Draft Red Herring Prospectus has been updated;
3. The Chapter titled "Objects Of The Issue" beginning on page 61 of the Draft Red Herring Prospectus has been updated;
4. The Chapter titled "Our Business" beginning on page 83 of the Draft Red Herring Prospectus has been updated;
5. The Chapter titled "Restated Financial Statements" beginning on page 125 of the Draft Red Herring Prospectus has been updated;
6. The Chapter titled "Management's Discussion And Analysis Of Financial Conditions And Results Of Operations" beginning on page 153 of the Draft Red Herring Prospectus has been updated;
7. The Chapter titled "Government And Other Approvals" beginning on page 162 of the Draft Red Herring Prospectus has been updated;
8. The Chapter titled "Other Regulatory And Statutory Disclosures" beginning on page 166 of the Draft Red Herring Prospectus has been updated;
9. The Chapter titled "Terms Of The Issue" beginning on page 176 of the Draft Red Herring Prospectus has been updated;
10. The Chapter titled "Issue Procedure" beginning on page 186 of the Draft Red Herring Prospectus has been updated;
11. The Chapter titled "Material Contracts And Documents For Inspection" beginning on page 224 of the Draft Red Herring Prospectus has been updated; and
12. The Chapter titled "Declaration" beginning on page 225 of the Draft Red Herring Prospectus has been updated;
13. Please note that all other details in, and updates to the Red Herring Prospectus/ Prospectus with respect to issue price and/or other relevant details will be carried out in the Red Herring Prospectus, as and when filed with ROC, SEBI and the Stock Exchange.

The above is to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand amended pursuant to this Addendum. Please note that the changes pursuant to this Addendum will be appropriately included in the Red Herring Prospectus/ Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges. All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the Draft Red Herring Prospectus.

On behalf of Harshdeep Hortico Limited

Sd/-

Shreya Gandhi

Company Secretary & Compliance Officer

Place: Thane, Mumbai

Date: January 16, 2024

| BOOK RUNNING LEAD MANAGER TO THE ISSUE | REGISTRAR TO THE ISSUE |
|--|---|
|  |  |
| <p>HEM SECURITIES LIMITED 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India Tel. No.: +91- 22- 49060000; Email: ib@hemsecurities.com Investor Grievance Email: redressal@hemsecurities.com Website: www.hemsecurities.com Contact Person: Ajay Jain SEBI Regn. No. INM000010981</p> | <p>LINK INTIME INDIA PRIVATE LIMITED Address: C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400 083 Maharashtra, India Tel. No.: +91 810 811 4949 Email: harshdeephortico.ip@linkintime.co.in Website: www.linkintime.co.in Investor Grievance Email: harshdeephortico.ip@linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058</p> |
| BID/ISSUE PERIOD | |
| ANCHOR PORTION ISSUE OPENS/ CLOSES ON*:[●] | BID/ISSUE OPENS ON: [●]** |
| | BID/ISSUE CLOSES ON: [●]** |

*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

**Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

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GENERAL INFORMATION

Brief Summary:

Our Company was originally incorporated as a Limited Company under the name “Harshdeep Hortico Limited” on December 30, 2022 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Mumbai, Maharashtra bearing CIN U26994MH2022PLC396421. Later, on April 03, 2023, our Company took over the business of proprietorship concern of the promoter Hitesh Chunilal Shah, namely M/s Harshdeep Agro Products as per business purchase agreement dated April 03, 2023 along with the assets and liabilities of the proprietorship concern as going concern.

For further details please refer to chapter titled “*History and Corporate Structure*” beginning on page 105 of this Draft Red Herring Prospectus.

CAPITAL STRUCTURE

9. Shareholding Pattern of the Company

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Draft Red Herring Prospectus:

I - Our Shareholding Pattern:-

| Category | Category of shareholder | Nos. of shareholders | No. of fully paid-up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities* | | | No. of Shares Underlying Outstanding convertible | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2) | Number of Locked in shares | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialized form | |
|----------|----------------------------|----------------------|---|--|--|------------------------|--|---|---------------|-----------------|--|---|----------------------------|----------|--|-----------------|---|---------------------------------|
| | | | | | | | | No of Voting Rights | | | | | Total as a % of (A+B+C) | No. | As a % of total Shares held (a) | No. | | As a % of total Shares held (b) |
| | | | | | | | | Class Equity Shares of ₹10/- each^ | Class e.g.: y | Total | | | | | | | | |
| I | II | III | IV | V | VI | VII = IV+V+VI | VIII | IX | | | X | XI=VII+X | XII | XIII | XIV | | | |
| (A) | Promoter & Promoter Group | 5 | 11541980 | - | - | 11541980 | 97.38 | 11541980 | - | 11541980 | 97.38 | - | 97.38 | - | - | 11541980 | | |
| (B) | Public | 34 | 310080 | - | - | 310080 | 2.62 | 310080 | - | 310080 | 2.62 | - | 2.62 | - | - | 310080 | | |
| (C) | Non-Promoter - Non-Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (C1) | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| (C2) | Shares held by Emp. Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| | Total | 39 | 11852060 | - | - | 11852060 | 100.00 | 11852060 | - | 11852060 | 100.00 | - | 100.00 | - | - | 11852060 | | |

The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Notes:

- As on date of this Draft Red Herring Prospectus 1 Equity share holds 1 vote.
- We have only one class of Equity Shares of face value of ₹ 10/- each.
- We have entered into tripartite agreement dated January 23, 2023 and January 24, 2023 with CDSL & NSDL respectively.
- Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the BSE before commencement of trading of such Equity.

OBJECTS OF THE ISSUE**Details of Utilization of Net Proceeds**

The details of utilization of the Net Proceeds are set forth herein below:

1. Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company

We hereby confirm that, we want to repay the loan as we believe that such repayment or prepayment will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment towards business growth and expansion.

2. To Meet Working Capital Requirements**Justification:**

| | |
|----------------------------------|---|
| Inventories | Inventory levels are maintained by our Company depending upon the demand and delivery schedules. We have assumed Inventories turnover days to be around 120 days for F.Y. 2023-24 and F.Y. 2024-25. Our inventories are significant and are expected to grow in line with the growth in our business. |
| Debtors | The historical holding days of trade receivables was 86 days for the period ending July 31,2023. As per the current credit terms and prevalent trend of the industry & in order to expand company's operations, the holding level for debtors is anticipated at 100 days of total revenue from operations during Fiscal 24 & Fiscal 25. The projected increase in trade receivables days is a strategic decision aimed at fostering higher sales growth. We intend to provide our customers with extended credit periods, allowing them more time to settle their invoices. By offering this flexibility, we expect to stimulate increased sales volume and foster stronger customer relationships. |
| Cash and Cash Equivalents | Cash & Cash Equivalents is in line with the previous years. The said balance is to maintain liquidity for day-to-day operations of the company. |
| Other Current Assets | Other Current Assets consist of balance with Revenue Authorities, Advance to suppliers and other receivables. Advance to Suppliers in the period from April 2023 to July 2023 has been done to procure raw materials. The company intends to continue the same system in coming years to speed up the manufacturing process. |
| Creditors | Past trend of Trade payables holding days has been 102 days for the period ending July 31, 2023. However, with additional working capital funding, our Company intends to reduce trade payable to 90 days during Fiscal 2024 & 80 days during fiscal year 2025 to avail cash discount as well as competitive purchase price to increase overall profitability of our Company. By reducing the time, it takes to settle our payables we aim to negotiate more favourable terms and conditions with our suppliers, enabling us to access competitive pricing for the goods we procure |
| Other Current Liabilities | Other Current Liabilities consist of Advance received from Customers, statutory Payables such as GST payable, TDS/TCS payable and other current liabilities. Other Current Liabilities has increased in line with the sales over the years, and the same has been continued in the estimates |
| Short-term Provisions | Short term provisions consists of Income tax Provisions net of Advance tax and TDS, Provision for Gratuity and Audit fees payable. |

OUR BUSINESS

BUSINESS OVERVIEW

Currently we have two manufacturing units, one is situated at Building No.1 Shree Sai Logistics, Survey No.18/2E 18/2P 17/2A, 17/2B Part, Elkunde, Bhiwandi, Thane - 421302, Maharashtra – India, spreading in an area of 93769 sq. ft. and the other one is situated at Gat No. 589, Darekarwadi Road, Boriaind, Daund, Pune -412202, Maharashtra, India, spreading in an area of 40000 sq. ft., along with three stores located in Delhi, Pune (Maharashtra) and Rajahmundry (Andhra Pradesh). Apart from these manufacturing units and stores, we have 04 Distributors at Hyderabad, Kolkata, Chandigarh and Visakhapatnam, who are exclusively dealing in our products. We provide an Omni-channel experience to customers through our website, various online marketplaces such as Amazon and Flipkart, as well as, social media platforms like Facebook and Instagram to promote our products.

OUR STRENGTHS

In-house Manufacturing capabilities

As on the date of this Draft Red Herring Prospectus, we have two manufacturing units, one is situated at Building No.1 Shree Sai Logistics, Survey No.18/2E 18/2P 17/2A, 17/2B Part, Elkunde, Bhiwandi, Thane - 421302, Maharashtra – India, spreading in an area of 93769 sq. ft. and the other one is situated at Gat No. 589, Darekarwadi Road, Boriaind, Daund, Pune -412202, Maharashtra, India, spreading in an area of 40000 sq. ft. The land where our manufacturing facilities have been established is owned by third parties and the same has been licensed out to our Company by them. The in-house manufacturing operations enable us to stream line inventory management and production process resulting into maintenance of quality production standards, minimizing production time and bringing cost effectiveness. We currently operate a total of twenty (20) Injection Molding Machines, four (4) Roto molding machines and one (1) blow extrusion machine. These machines are complemented by various handling equipment that streamlines the manufacturing process at both our production locations.

SECTION VI FINANCIAL INFORMATION OF THE COMPANY**RESTATED FINANCIAL STATEMENTS****ANNEXURE III****RESTATED CASH FLOW STATEMENT****(₹ in Lakhs)**

| Particulars | For the Period/Year ended on | |
|---|------------------------------|----------------|
| | July 31, 2023 | March 31, 2023 |
| A) Cash Flow from Operating Activities: | | |
| Net Profit before tax | 236.86 | (0.27) |
| Adjustment for: | | |
| Depreciation | 46.75 | - |
| Interest Paid | 3.64 | - |
| Provision of Gratuity | 2.28 | - |
| Loss/(Profit) on Sale of Asset | - | - |
| Interest Income | - | - |
| Profit/(Loss) on sale of Investment | - | - |
| Operating profit before working capital changes | 289.53 | (0.27) |
| Changes in Working Capital | | |
| (Increase)/Decrease in Inventory | (309.60) | - |
| (Increase)/Decrease in Current Investment | - | - |
| (Increase)/Decrease in Trade Receivables | (198.07) | - |
| (Increase)/Decrease in Short Term Loans & Advances and Provisions | - | - |
| Increase)/Decrease in Other Current Assets | (94.86) | - |
| Increase/(Decrease) in Trade Payables | 324.79 | 0.15 |
| Increase/(Decrease) in Other Current Liabilities | 102.85 | - |
| Increase/(Decrease) in Short Term Provisions | 54.11 | - |
| Cash generated from operations | 168.75 | (0.11) |
| Less: Income Taxes paid | (60.13) | - |
| Net cash flow from operating activities | A | (0.11) |
| B) Cash Flow from Investing Activities: | | |
| Purchase of Fixed Assets including of CWIP | (64.92) | - |
| Long term Investment made/Sold during the year | - | - |
| Increase/(Decrease) in Long Term Loans and Advances | - | - |
| Interest Income | - | - |
| Net cash flow from investing activities | B | (64.92) |
| C) Cash Flow from Financing Activities: | | |
| Proceeds from Issue of Share Capital | - | 5.00 |
| Increase/(Decrease) in Short Term Borrowings | 138.70 | - |
| Profit/(Loss) on sale of Investment | - | - |
| Increase/(Decrease) in Long Term Borrowings | (91.48) | - |
| Interest Paid | (3.64) | - |
| Net cash flow from financing activities | C | 5.00 |
| Net Increase/(Decrease) In Cash & Cash Equivalents | (A+B+C) | 4.89 |
| Cash equivalents at the beginning of the year | 4.89 | - |
| Cash equivalents at the end of the year | 92.18 | 4.89 |

| Notes: | July 31, 2023 | March 31, 2023 | |
|--------|--|----------------|------|
| 1. | Component of Cash and Cash equivalents | | |
| | Cash on hand | 12.59 | - |
| | Balance With banks | 79.58 | 4.89 |
| | Other Bank Balance | - | - |
| | 92.18 | 4.89 | |
| 2 | Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated. | | |

RESTATED FINANCIAL STATEMENTS OF

M/S HARSHDEEP AGRO PRODUCTS (PREVIOUSLY PROPRIETORSHIP FIRM WHICH WAS TAKEN OVER W.E.F. 1ST APRIL, 2023 AS PER BUSINESS TRANSFER AGREEMENT BY HARSHDEEP HORTICO LIMITED)

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

To,

**The Board of Directors of
Harshdeep Hortico Limited**

(Previously Proprietorship Firm M/s Harshdeep Agro Products-Business Take-Over w.e.f. 1st April, 2023 as per Business Transfer Agreement)

Building No.1 Shree Sai Logistics, Survey No.18/2E 18/2P 17/2A, 17/2B Part,
Elkunde, Bhiwandi, Thane, Thane, Maharashtra, India, 421302.

Dear Sir,

Reference: - Proposed Public Issue of Equity Shares of Harshdeep Hortico Limited

We have examined the attached Restated Financial Statement of Harshdeep Hortico Limited (Previously Proprietorship Firm M/s Harshdeep Agro Products-Business Take-Over w.e.f. 1st April, 2023 as per Business Transfer Agreement) (hereunder referred to "the Company", "Issuer") comprising the Restated Statement of Assets and Liabilities as at March 31, 2023, March 31, 2022, and March 31, 2021, the Restated Statement of Profit & Loss, the Restated Cash Flow Statement for the year ended March 31, 2023, March 31, 2022, and March 31, 2021, the statement of Significant Accounting Policies and other explanatory Information (Collectively the Restated Financial Statement) as approved by the Board of Directors in their meeting held on 15th January, 2024 for the purpose of inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus ("Offer Document") in connection with its proposed Initial Public Offering (IPO) of equity shares, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) prepared in terms of the requirement of :-

- a) Section 26 and 32 of Part I of Chapter III of the Companies Act, 2013 as amended (the "Act");
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 as amended ("SEBI ICDR Regulations"); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2020) issued by the Institute of Chartered Accountants of India as amended from time to time. ("The Guidance Note")

The Company's Board of Directors is responsible for the preparation of the Restated Financial Statement for the purpose of inclusion in the offer document to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, of relevant state in connection with the proposed IPO. The Restated Financial Statements have been prepared by the management of the Company for the year ended on March 31, 2023, March 31, 2022, and March 31, 2021 on the basis of notes to restatement in note IV to the Restated Financial Statement. The Board of Directors of the company's responsibility includes designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Statement.

We have examined such Restated Financial Statement taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements; and
- d) The requirements of Section 26 and 32 of the Act and the SEBI ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

This Restated Financial Statements have been compiled by the management from:

- a) Audited financial statements of the company as at and for the year ended on March 31, 2023, March 31, 2022, and March 31, 2021.

For the purpose of our examination, we have relied on:

- a) Special Purpose Auditors' Report for the year ended March 31, 2023, March 31, 2022, and March 31, 2021 respectively issued by us dated January 15, 2024.

The modification in restated financials were carried out based on the modified reports, if any, issued by Statutory Auditor which is giving rise to modifications on the financial statements as at and for the years ended March 31, 2023, March 31, 2022, and March 31, 2021.

- a) The Restated Financial Statement 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;
- b) The Restated Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial year to which they relate;
- c) Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
- d) 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;
- e) Adjustments in Restated Financial Statement have been made in accordance with the correct accounting policies,
- f) There was no change in accounting policies, which needs to be adjusted in the Restated Financial Statement.
- g) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statement

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

- a) The "Restated Statement of Assets and Liabilities" as set out in Annexure I to this report, of the Company as at March 31, 2023, March 31, 2022, and March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Restated Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the erstwhile Proprietorship firm, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.
- b) The "Restated Statement of Profit and Loss" as set out in Annexure II to this report, of the Company for Financial year ended March 31, 2023, March 31, 2022, and March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Restated Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the erstwhile Proprietorship firm, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure IV to this Report.
- c) The "Restated Statement of Cash Flow" as set out in Annexure III to this report, of the Company for Financial year ended March 31, 2023, March 31, 2022, and March 31, 2021 is prepared by the Company and approved by the Board of Directors.

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 Financial year ended March 31, 2023, March 31, 2022, and March 31, 2021 proposed to be included in the Offer Document for the proposed IPO.

| | |
|---|------------|
| Restated Statement of Proprietor's Capital | Annexure-A |
| Restated Statement of Long Term and Short - Term Borrowings | Annexure-B |
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| Restated Statement of Other Current Liabilities and short-term Provisions | Annexure-D |
| Restated Statement of Property, Plant and Equipment and Intangible Assets | Annexure-E |
| Restated Statement of Deferred Tax (Assets) | Annexure-F |
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| Restated Statement of Other Current Assets | Annexure-K |

| | |
|---|-------------|
| Restated Statement of Turnover | Annexure-L |
| Restated Statement of Non- Operating Income | Annexure-M |
| Restated Statement of Cost of Material Consumed and Purchases of Stock in Trade | Annexure-N |
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| Restated Statement of Contingent Liabilities | Annexure-W |
| Restated Statement of Other Financial Ratio | Annexure-X |
| Significant Accounting Policy and Notes to The Restated financial Statements | Annexure IV |

In our opinion and to the best of information and explanation provided to us, the Restated Financial Statement 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.

We, M/s. DGMS & Co., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and our peer Review Certificate is valid as on the date of signing of this report.

The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the erstwhile Proprietorship firm, and are in accordance with the provisions of the Act and SEBI ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

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.

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

In our opinion, the above Financial Statements along with Annexure A to X of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, SEBI ICDR Regulations, Engagement Letter and Guidance Note issued by ICAI.

Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the Proposed SME IPO of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

For DGMS & Co.
Chartered Accountant
FRN:- 112187W

Sd/-
(Atul Bhupatrai Doshi)
Partner
M. No. 102585
Place: Thane
Date: 15th January, 2024

ANNEXURE – I**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(₹ in Lakhs)

| Particulars | | Annexure No | Proprietorship | | |
|-------------|---|-------------|----------------------|-----------------|-----------------|
| | | | As at the Year ended | | |
| | | | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| A) | CAPITAL AND LIABILITIES | | | | |
| 1. | Proprietor's Capital | A | 939.20 | 835.79 | 744.52 |
| | | | 939.20 | 835.79 | 744.52 |
| 2. | Non-Current Liabilities | | | | |
| (a) | Long Term Borrowings | B | 529.56 | 421.53 | 454.55 |
| | | | 529.56 | 421.53 | 454.55 |
| 3. | Current Liabilities | | | | |
| (a) | Short Term Borrowings | B | 60.04 | 62.67 | 94.24 |
| (b) | Trade Payables | C | 574.62 | 621.82 | 494.07 |
| (c) | Other Current Liabilities | D | 38.04 | 43.91 | (4.83) |
| (d) | Short Term Provisions | | 137.84 | 41.95 | 33.94 |
| | | | 810.54 | 770.35 | 617.41 |
| | Total | | 2,279.31 | 2,027.68 | 1,816.48 |
| B) | ASSETS | | | | |
| 1. | Non-Current Assets | | | | |
| (a) | Property, Plant & Equipment and Intangible Assets | E | 894.99 | 777.89 | 760.04 |
| (b) | Deferred Tax Assets (Net) | F | 22.47 | 4.04 | 3.31 |
| | | | 917.46 | 781.93 | 763.35 |
| 2. | Current Assets | | | | |
| (a) | Current Investment | | - | - | - |
| (b) | Inventories | G | 415.71 | 375.56 | 222.22 |
| (c) | Trade Receivables | H | 843.84 | 855.35 | 824.05 |
| (d) | Cash and Cash equivalents | I | - | 8.38 | 2.95 |
| (e) | Short-Term Loans and Advances | J | 102.29 | 6.45 | 3.91 |
| (f) | Other Current Assets | K | - | - | - |
| | | | 1,361.85 | 1,245.74 | 1,053.13 |
| | Total | | 2,279.31 | 2,027.68 | 1,816.48 |

ANNEXURE – II**RESTATED STATEMENT OF PROFIT AND LOSS**

(₹ in Lakhs)

| Particulars | | Annexure No | Proprietorship | | |
|-------------|---|-------------|-----------------------|-----------------|-----------------|
| | | | For the Year ended on | | |
| | | | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| 1 | Revenue From Operation | L | 4,076.70 | 3,485.61 | 2,519.05 |
| 2 | Other Income | M | 29.74 | 19.32 | 11.77 |
| 3 | Total Income (1+2) | | 4,106.44 | 3,504.93 | 2,530.82 |
| 4 | Expenditure | | | | |
| (a) | Cost of Goods Sold | N | 2,510.67 | 2,347.08 | 1,532.47 |
| (b) | Purchases of Stock in Trade | | 344.21 | 202.29 | 272.43 |
| (c) | Employee Benefit Expenses | O | 144.73 | 102.00 | 67.19 |
| (d) | Finance Cost | P | 74.90 | 66.52 | 65.51 |
| (e) | Depreciation and Amortisation Expenses | Q | 233.12 | 159.62 | 147.28 |
| (f) | Other Expenses | R | 498.48 | 296.10 | 178.59 |
| 5 | Total Expenditure 4(a) to 4(f) | | 3806.12 | 3173.61 | 2263.47 |
| 6 | Profit/(Loss) Before Exceptional & extraordinary items & Tax (3-5) | | 300.32 | 331.32 | 267.36 |
| 7 | Exceptional item | | - | - | - |
| 8 | Profit/(Loss) Before Tax (6-7) | | 300.32 | 331.32 | 267.36 |
| 9 | Tax Expense: | | | | |
| (a) | Tax Expense for Current Year | V | 95.89 | 84.30 | 70.94 |
| (b) | Deferred Tax | | (18.43) | (0.73) | (3.31) |
| | Net Current Tax Expenses | | 77.46 | 83.57 | 67.63 |
| 10 | Profit/(Loss) for the Year (8-9) | | 222.86 | 247.75 | 199.73 |

ANNEXURE III**RESTATED CASH FLOW STATEMENT**

(₹ in Lakhs)

| Particulars | Annexure No | Proprietorship | | |
|---|----------------|-----------------------|-----------------|-----------------|
| | | For the Year ended on | | |
| | | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| A) Cash Flow From Operating Activities: | | | | |
| Net Profit before tax | | 300.32 | 331.32 | 267.36 |
| Adjustment for : | | | | |
| Depreciation | | 233.12 | 159.62 | 147.28 |
| Interest Paid | | 74.90 | 66.52 | 65.51 |
| Provision of Gratuity | | | | |
| Loss/(Profit) on Sale of Asset | | | | |
| Interest Income | | | | |
| Operating profit before working capital changes | | 608.35 | 557.46 | 480.14 |
| Changes in Working Capital | | | | |
| (Increase)/Decrease in Inventory | | (40.15) | (153.34) | (2.37) |
| (Increase)/Decrease in Current Investment | | | | |
| (Increase)/Decrease in Trade Receivables | | 11.51 | (31.30) | (114.74) |
| (Increase)/Decrease in Short Term Loans & Advances and Provisions | | (95.84) | (2.54) | - |
| (Increase)/Decrease in Other Current Assets | | | | |
| Increase/(Decrease) in Trade Payables | | (47.20) | 127.76 | 200.47 |
| Increase/(Decrease) in Other Current Liabilities | | (5.87) | 48.75 | 5.41 |
| Increase/(Decrease) in Short Term Provisions | | 95.89 | 8.01 | 33.94 |
| Cash generated from operations | | 526.68 | 554.79 | 602.85 |
| Less:- Income Taxes paid | | (95.89) | (84.30) | (70.94) |
| Net cash flow from operating activities | A | 430.79 | 470.50 | 531.91 |
| B) Cash Flow From Investing Activities : | | | | |
| Purchase of Fixed Assets including of CWIP | | (350.22) | (177.48) | (392.58) |
| Long term Investment made/Sold during the year | | | | |
| Increase/(Decrease) in Long Term Loans and Advances | | | | |
| Net cash flow from investing activities | B | (350.22) | (177.48) | (392.58) |
| C) Cash Flow From Financing Activities : | | | | |
| Proceeds from Capital | | (119.45) | (156.48) | (318.96) |
| Increase/(Decrease) in Short Term Borrowings | | (2.63) | (31.57) | 94.24 |
| Increase/(Decrease) in Long Term Borrowings | | 108.03 | (33.02) | 146.44 |
| Interest Paid | | (74.90) | (66.52) | (65.51) |
| Net cash flow from financing activities | C | (88.95) | (287.59) | (143.79) |
| Net Increase/(Decrease) In Cash & Cash Equivalents | (A+B+C) | (8.38) | 5.43 | (4.46) |
| Cash equivalents at the beginning of the year | | 8.38 | 2.95 | 7.41 |
| Cash equivalents at the end of the year | | (0.00) | 8.38 | 2.95 |

Notes :-

1.

| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|----------------|
| Component of Cash and Cash equivalents | | | |
| Cash on hand | (0.00) | 8.38 | 2.95 |
| Balance With banks | - | - | - |
| | (0.00) | 8.38 | 2.95 |

2. Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

ANNEXURE-IV

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED FINANCIAL STATEMENTS

A. BACKGROUND

The Company was originally incorporated as a Limited Company under the name “Harshdeep Hortico Limited” on December 30, 2022 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Mumbai, Maharashtra bearing CIN U26994MH2022PLC396421. Later, on April 03, 2023, our Company took over the business of proprietorship concern of the promoter Hitesh Chunilal Shah, namely M/s Harshdeep Agro Products along with the assets and liabilities of the proprietorship concern as going concern.

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Restated Statement of Assets and Liabilities of the Company as on March 31, 2023, March 31, 2022, and March 31, 2021 and the Restated Statement of Profit and Loss and Restated Statements of Cash Flows for the year ended on March 31, 2023, March 31, 2022, and March 31, 2021 and the annexure thereto (collectively, the “**Restated Financial Statements**”) have been extracted by the management from the individual financial statements of the erstwhile Proprietorship firm.

The financial statements of the company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP). GAAP comprises the Accounting Standards notified u/s S.133 read with S.469 of the Companies Act, 2013. The accounting policies have been framed, keeping in view the fundamental accounting assumptions of Going Concern, Consistency and Accrual, as also basic considerations of Prudence, Substance over form, and Materiality. These have been applied consistently, except where a newly issued accounting standard is initially adopted or a revision in the existing accounting standards require a revision in the accounting policy so far in use. The need for such a revision is evaluated on an ongoing basis.

The Financial Statements have been prepared on a going concern basis, in as much as the management neither intends to liquidate the company nor to cease operations. Accordingly, assets, liabilities, income and expenses are recorded on a Going Concern basis. Based on the nature of products and services, and the time between the acquisition of assets and realization in cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purposes of current and non-current classification of assets and liabilities

2. USE OF ESTIMATES

The preparation of financial statements required the management to make estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to contingent liabilities. The Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision of accounting estimates is recognized prospectively in the current and future periods.

3. PROPERTY, PLANT AND EQUIPMENTS

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use. Fixed assets have been recorded in the books of the Company at WDV as per Income tax Act, 1932 as applicable to firm as on the date of conversion. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

4. DEPRECIATION

Depreciation on Fixed Assets has been provided on 'Written Down Value' based on the useful life of the assets and in the manner prescribed in the Schedule II of the Companies Act, 2013. In first year, company has identified assets whose life as been expired according to company act, 2013, therefore the WDV of such assets has been written off upto salvage value i.e. 5% of original cost of purchase.

5. BORROWING COSTS

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

6. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of amount.

7. INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

8. INVENTORIES

- i) Raw Material, Packaging Material, Tools and Consumables, and Finished Goods are valued at lower of Cost or net realizable value.
- ii) Work in Progress at various level is valued at lower of cost or net realizable value. The Management estimates the work in progress according to stage of completion. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

9. REVENUE RECOGNITION

- i) Revenue is recognized to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- ii) Revenue from sale of goods is recognized when the significant risk and rewards are transferred as per the terms of sale. Revenues are recorded at invoice value.
- iii) Income in respect of interest, insurance claims, export benefits, subsidy etc. is recognized to the extent the company is reasonably certain of its ultimate realization.

10. EMPLOYEE BENEFITS

Defined-contribution plans:

- i) The company does not carry forward the balance of earned leave balance of employees, balance earned leave is paid to the employees according to the policy of company.
- ii) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss for the year.

11. SEGMENT ACCOUNTING

Business Segment

- (a) The business segment has been considered as the primary segment.
- (b) The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.
- (c) The Company's primary business includes manufacturing of pots and planters and accordingly this is the only segment as envisaged in Accounting Standard 17 'Segment Reporting' therefore disclosure for Segment reporting is not applicable.

12. ACCOUNTING FOR TAXES ON INCOME

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

- (i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.
- (ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

13. CONTINGENT LIABILITIES AND PROVISIONS

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

14. EARNINGS PER SHARE

We are not calculation Earning Per Share, as we do not have outstanding Equity share.

15. CASH FLOW

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

C. CHANGES IN ACCOUNTING POLICIES IN THE YEARS COVERED IN THE RESTATED FINANCIALS

There was no change in accounting policies, which needs to be adjusted in the Restated Financial Statement

D. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

1. The financial statements including other financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
2. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been reported to the extent of information memorandum received from the suppliers.
3. **Employee benefits:**

The Company has not adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary.

4. Provisions, Contingent Liabilities and Contingent Assets (AS 29):

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on the end of respective period except as mentioned in Annexure - W, for any of the years covered by the statements.

5. Related Party Disclosure (AS 18):

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – T of the enclosed financial statements.

6. Accounting For Taxes on Income (AS 22):

Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the Period/year is reported as under:

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|--|----------------|----------------|----------------|
| | As at | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Major Components of deferred tax arising on account of timing differences are: | | | |
| Timing Difference Due to Depreciation | 89.26 | 16.05 | 13.16 |
| Deferred Tax Assets/(Liabilities) (A) | 22.47 | 4.04 | 3.31 |
| Cumulative Balance of Deferred Tax Assets/(Liability) (Net) (A) | 22.47 | 4.04 | 3.31 |

7. Realizations:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these Restated financials has used internal and external sources on the expected future performance of the Company and management expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainty because of COVID-19, the final impact on the Company’s assets in future may differ from that estimated as at the date of approval of these restated Financials.

8. Contractual liabilities:

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

9. Amounts in the financial statements:

Amounts in the financial statements are reported in Indian Rupees in lakhs and rounded off to second digit of decimal. Figures in brackets indicate negative values.

ANNEXURE-V**MATERIAL ADJUSTMENTS [AS PER THE SEBI ICDR) REGULATION]**

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Company Act 2013, and Accounting Standards.

The Summary of results of restatements made in the audited financial statements of the Company for the respective years and their impact on the profit /(losses) of the Company is as under

Statement of adjustments in the Financial Statements**Statement of Capital**

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|---|----------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Capital as per special purpose audited financial statement: | 1143.84 | 1003.04 | 825.31 |
| Less: Cumulative Adjustment made in Statement of Profit and | 317.93 | 167.25 | 80.79 |

| Particulars | Proprietorship | | |
|---|-----------------|-----------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Loss Account | | | |
| Add: Adjustment of tax | 113.29 | | |
| Net Adjustment in Profit and Loss Account | (204.64) | (167.25) | (80.79) |
| Reserves and Surplus as per Restated Accounts: | 939.20 | 835.79 | 744.52 |

Statement of Profit and Loss after Tax

The reconciliation of Profit/(loss) before tax as per special purpose audited financial statement and the Profit/(loss) after tax as per Restated accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the respective year profit & losses of the company.

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|--|-----------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Net Profit/(loss) before tax as per special purpose audited financial statement: | 373.54 | 334.21 | 280.51 |
| Provision for Deferred Tax Assets | 18.43 | 0.73 | 3.31 |
| Provision for Income Tax | (95.89) | (84.30) | (70.94) |
| Short/(Excess) Provision for Depreciation | (73.21) | (2.89) | (13.16) |
| Net Adjustment in Profit and Loss Account | (150.68) | (86.46) | (80.79) |
| Net Profit/(Loss) After Tax as per Restated Accounts: | 222.86 | 247.75 | 199.73 |

a) Adjustment on account of Provision of Deferred Tax Assets:

Due to Difference of WDV of Fixed Assets as per Companies Act, 2013 and Income Tax Act, 1961 during the period of restatement, The Company has calculated the deferred tax liability and deferred tax assets at the end of respective year ended at the rate of normal Tax rate applicable at the end of relevant year. For more details refer table of Reconciliation of Statement of Profit and loss as above.

b) Provision of Income Tax (Current/Prior Period):

During the restatement, the Income tax provision was calculated on restated Profit/(Loss) of respective year as per the prevailing tax rates, accordingly the effect of income tax provision has been made in the Restated Statement of Profit and Loss account. provision has adjusted in respective year/period. For More details, refer Annexure V enclosed with the Restated Financial Statement.

c) Accounting of Amortization of Intangible assets:

During the restatement, Company has observed that in Intangible Assets, depreciation was charged as per WDV method, as per companies act.

ANNEXURE – A

RESTATED STATEMENT OF PROPRIETOR'S CAPITAL

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|--------------------------------|----------------|----------------|----------------|
| | As at | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Capital | | | |
| Opening Balance | 835.79 | 744.52 | 863.73 |
| Profit for the Year | 222.86 | 247.75 | 199.73 |
| Less:- Net Addition/(deletion) | (119.45) | (156.48) | (318.96) |
| Closing Balance | 939.20 | 835.79 | 744.52 |

ANNEXURE – B

RESTATED STATEMENT OF LONG TERM AND SHORT-TERM BORROWINGS

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|--|----------------|----------------|----------------|
| | As at | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Long Term Borrowings | | | |
| (Secured) | | | |
| Term loans | | | |
| From Bank & Financial Institutions | 529.56 | 421.53 | 454.55 |
| Sub-total | 529.56 | 421.53 | 454.55 |
| (Unsecured) | | | |
| (b) Term loans | | | |
| From Bank & Financial Institutions | - | - | - |
| From Others | - | - | - |
| Sub-total (b) | - | - | - |
| (c) Loans and advances from related parties (Unsecured) | | | |
| Unsecured Loan | | | |
| Sub-total (c) | - | - | - |
| Total | 529.56 | 421.53 | 454.55 |
| Short Term Borrowings | | | |
| Secured | | | |
| Loan Repayable on Demand | | | |
| From Banks | 60.04 | 62.67 | 94.24 |
| Sub-total (a) | 60.04 | 62.67 | 94.24 |
| Unsecured | | | |
| From Related Parties | - | - | - |
| Sub-total (b) | - | - | - |
| Total (a+b) | 60.04 | 62.67 | 94.24 |

ANNEXURE – C

RESTATED STATEMENT OF TRADE PAYABLES

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|-----------------------|----------------|----------------|----------------|
| | As at | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Trade Payables | | | |
| For Goods & Services | 574.62 | 621.82 | 494.07 |
| Total | 574.62 | 621.82 | 494.07 |

ANNEXURE – D

RESTATED STATEMENT OF OTHER CURRENT LIABILITIES AND SHORT-TERM PROVISIONS

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|--|----------------|----------------|----------------|
| | As at | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Other Current Liabilities | | | |
| Accrued Interest but not due | 38.04 | 43.91 | (4.83) |
| Statutory Payables | - | - | - |
| Advances Received from Customers | - | - | - |
| Other Current Liabilities | - | - | - |
| Total | 38.04 | 43.91 | (4.83) |
| Short Term Provisions | | | |
| Provision for Employee Benefits | - | - | - |
| Other Provisions | - | - | - |
| Other Provisions | | | |
| Income tax Provisions net of Advance tax and TDS | 137.84 | 41.95 | 33.94 |
| Total | 137.84 | 41.95 | 33.94 |

ANNEXURE – E

RESTATED STATEMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

FY 2020-21

(₹ in Lakhs)

| Proprietorship | | | | | | | | | | |
|--------------------------------------|------------------------|--------------------------|---------------------------|------------------------|------------------------|--------------------------|---------------------------|------------------------|----------------------|----------------------|
| Name of Assets | Gross Block | | | | Depreciation | | | | Net Block | |
| | Value as at 01-04-2020 | Addition during the year | Deduction during the year | Value as at 31-03-2021 | Value as at 01-04-2020 | Addition during the year | Deduction during the year | Value as at 31-03-2021 | WDV as on 31-03-2021 | WDV as on 31-03-2020 |
| Property, Plant and Equipment | | | | | | | | | | |
| Building | 125.33 | 161.01 | - | 286.34 | - | 27.04 | | 27.04 | 259.29 | 125.33 |
| Plant & Machinery | 322.76 | 195.58 | - | 518.34 | - | 92.29 | | 92.29 | 426.05 | 322.76 |
| Computers | 4.25 | 0.10 | - | 4.36 | - | 3.04 | | 3.04 | 1.32 | 4.25 |
| Furniture & Fixture | 29.61 | 20.17 | - | 49.78 | - | 12.50 | | 12.50 | 37.28 | 29.61 |
| Vehicle | 32.79 | 15.72 | - | 48.51 | - | 12.41 | | 12.41 | 36.10 | 32.79 |
| TOTAL | 514.74 | 392.58 | - | 907.32 | - | 147.28 | - | 147.28 | 760.04 | 514.74 |

FY 2021-22

(₹ in Lakhs)

| Proprietorship | | | | | | | | | | |
|--------------------------------------|------------------------|--------------------------|---------------------------|------------------------|-------------------------------|--------------------------|----------------------------|------------------------|----------------------|----------------------|
| Name of Assets | Gross Block | | | | Depreciation and Amortization | | | | Net Block | |
| | Value as at 01-04-2021 | Addition during the year | Deduction during the year | Value as at 31-03-2022 | Value as at 01-04-2021 | Addition during the year | Deducti on during the year | Value as at 31-03-2022 | WDV as on 31-03-2022 | WDV as on 31-03-2021 |
| Property, Plant and Equipment | | | | | | | | | | |
| Building | 286.34 | 1.99 | 0.00 | 288.33 | 27.04 | 24.67 | 0.00 | 51.72 | 236.61 | 259.29 |
| Plant & Machinery | 518.34 | 112.84 | 0.00 | 631.18 | 92.29 | 97.61 | 0.00 | 189.90 | 441.28 | 426.05 |
| Computers | 4.36 | 3.28 | | 7.63 | 3.04 | 2.97 | 0.00 | 6.00 | 1.63 | 1.32 |
| Furniture & Fixture | 49.78 | 28.52 | 0.00 | 78.30 | 12.50 | 16.38 | 0.00 | 28.88 | 49.42 | 37.28 |
| Vehicle | 48.51 | 30.85 | | 79.36 | 12.41 | 17.99 | 0.00 | 30.40 | 48.96 | 36.10 |
| Total | 907.32 | 177.48 | - | 1,084.80 | 147.28 | 159.62 | - | 306.90 | 777.89 | 760.04 |
| Previous Year | 514.74 | 392.58 | - | 907.32 | - | 147.28 | - | 147.28 | 760.04 | 514.74 |

FY 2022-23

(₹ in Lakhs)

| Proprietorship | | | | | | | | | | |
|---|------------------------|--------------------------|---------------------------|------------------------|-------------------------------|--------------------------|----------------------------|------------------------|----------------------|----------------------|
| Name of Assets | Gross Block | | | | Depreciation and Amortization | | | | Net Block | |
| | Value as at 01-04-2022 | Addition during the year | Deduction during the year | Value as at 31-03-2023 | Value as at 01-04-2022 | Addition during the year | Deducti on during the year | Value as at 31-03-2023 | WDV as on 31-03-2023 | WDV as on 31-03-2022 |
| <u>Property, Plant and Equipment</u> | | | | | | | | | | |
| Building | 288.33 | - | - | 288.33 | 51.72 | 22.34 | - | 74.06 | 214.26 | 236.61 |
| Plant & Machinery | 631.18 | 113.29 | - | 744.47 | 189.90 | 100.48 | - | 290.38 | 454.09 | 441.28 |
| Computers | 7.63 | 6.45 | - | 14.08 | 6.00 | 4.77 | - | 10.77 | 3.31 | 1.63 |
| Furniture & Fixture | 78.30 | 214.27 | - | 292.57 | 28.88 | 76.22 | - | 105.10 | 187.47 | 49.42 |
| Vehicle | 79.36 | 16.20 | - | 95.56 | 30.40 | 29.31 | - | 59.71 | 35.86 | 48.96 |
| Total | 1,084.80 | 350.22 | - | 1,435.02 | 306.90 | 233.12 | - | 540.03 | 894.99 | 777.89 |
| Previous Year | 907.32 | 177.48 | - | 1,084.80 | 147.28 | 159.62 | - | 306.90 | 777.89 | 760.04 |

ANNEXURE – F

RESTATED STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|--|----------------|----------------|----------------|
| | As at | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Major Components of deferred tax arising on account of timing differences are: | | | |
| Timing Difference Due to Depreciation | 89.26 | 16.05 | 13.16 |
| Deferred Tax Assets/(Liabilities) (A) | 22.47 | 4.04 | 3.31 |
| Cumulative Balance of Deferred Tax Assets/(Liability) (Net) (A+B) | 22.47 | 4.04 | 3.31 |

ANNEXURE – G

RESTATED STATEMENT OF INVENTORIES

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|---------------|----------------|----------------|----------------|
| | As at | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Closing Stock | 415.71 | 375.56 | 222.22 |
| Total | 415.71 | 375.56 | 222.22 |

Note:- 1. Inventory has been physically verified by the management of the Company at the end of respective year.

ANNEXURE – H

RESTATED STATEMENT OF TRADE RECEIVABLES

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|-------------------|----------------|----------------|----------------|
| | As at | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Trade Receivables | 843.84 | 855.35 | 824.05 |
| Total | 843.84 | 855.35 | 824.05 |

ANNEXURE – I

RESTATED STATEMENT OF CASH & CASH EQUIVALENTS

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|---|----------------|----------------|----------------|
| | As at | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Cash and Cash Equivalents: (as per Accounting Standard 3: Cash flow Statements) | | | |
| Balances with Banks | - | - | - |
| Cash on Hand (As certified and verified by Management) | - | 8.38 | 2.95 |
| <u>Other Bank Balances</u> | | | |
| Fixed Deposits | - | - | - |
| Total | - | 8.38 | 2.95 |

ANNEXURE – J

RESTATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|---|----------------|----------------|----------------|
| | As at | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Unsecured, Considered Good unless otherwise stated | | | |
| Security Deposit | 102.29 | 6.45 | 3.91 |
| Loan and advances | | | |
| Total | 102.29 | 6.45 | 3.91 |

ANNEXURE – K

RESTATED STATEMENT OF OTHER CURRENT ASSETS

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|----------------------------------|----------------|----------------|----------------|
| | As at | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Other advance | | | |
| Balance With Revenue Authorities | - | - | - |
| Total | - | - | - |

ANNEXURE – L

RESTATED STATEMENT OF TURNOVER

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|--|-----------------------|-----------------|-----------------|
| | for the Year ended on | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| (i) turnover of products manufactured by the issuer (net of excise Duty) | 4,076.70 | 3,485.61 | 2,519.05 |
| (ii) turnover of products traded in by the issuer; and | | - | - |
| * (iii) turnover in respect of products not normally dealt in by the issuer but included in (ii) above | - | - | - |
| (iv) turnover in respect of Services supplied by the issuer | - | - | - |
| Total | 4,076.70 | 3,485.61 | 2,519.05 |

*As per information provided to us by the Issuer, there is no such item.

ANNEXURE – M

RESTATED STATEMENT OF OTHER OPERATING INCOME

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|------------------------|-----------------------|----------------|----------------|
| | for the Year ended on | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| P & F Charges | 11.64 | 9.08 | 4.44 |
| Discounts on Purchases | 18.10 | 10.24 | 7.34 |
| Total | 29.74 | 19.32 | 11.77 |

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.

ANNEXURE – N

RESTATED STATEMENT OF COST OF MATERIAL CONSUMED AND PURCHASE OF STOCK IN TRADE

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|-------------------------------------|-----------------------|-----------------|-----------------|
| | for the Year ended on | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Cost of Material Consumed | | | |
| Opening Stock of Raw Material | 375.56 | 222.22 | 219.85 |
| Add: Purchases of Raw Material | 1,930.23 | 2,037.21 | 1,169.99 |
| Add: Direct Expenses | 620.59 | 463.21 | 364.85 |
| Less: Closing Stock of Raw Material | 415.71 | 375.56 | 222.22 |
| Total | 2,510.67 | 2,347.08 | 1,532.47 |
| Purchase of Stock in Trade | | | |
| Purchase of Stock in Trade | 344.21 | 202.29 | 272.43 |
| Total | 344.21 | 202.29 | 272.43 |

ANNEXURE – O

RESTATED STATEMENT OF EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|---|-----------------------|----------------|----------------|
| | for the Year ended on | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Salary and Wages | 101.38 | 70.92 | 47.49 |
| Contribution to Provident Fund and Other Fund | 33.40 | 24.49 | 17.10 |
| Staff Welfare Expenses | 9.96 | 6.59 | 2.61 |
| Total | 144.73 | 102.00 | 67.19 |

ANNEXURE – P

RESTATED STATEMENT OF FINANCE COST

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|----------------------|-----------------------|----------------|----------------|
| | for the Year ended on | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Interest expense | 64.22 | 65.20 | 63.20 |
| Other Borrowing cost | 10.68 | 1.31 | 2.30 |
| Total | 74.90 | 66.52 | 65.51 |

ANNEXURE – Q

RESTATED STATEMENT OF DEPRECIATION & AMORTISATION

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|--|-----------------------|----------------|----------------|
| | for the Year ended on | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Depreciation and Amortization Expenses | 233.12 | 159.62 | 147.28 |
| Total | 233.12 | 159.62 | 147.28 |

ANNEXURE – R

RESTATED STATEMENT OF OTHER EXPENSES

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|--|-----------------------|----------------|----------------|
| | for the Year ended on | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Sundry Exp | 5.99 | 3.13 | 3.69 |
| Transport Charges | 105.21 | 78.30 | 53.63 |
| Printing & Stationery Exp. | 9.29 | 7.55 | 2.09 |
| Advertisement Exp. | 8.81 | 7.67 | 4.80 |
| Pollution Control Charges | 1.00 | 2.32 | - |
| Rent for Godowns | 145.56 | 66.13 | 59.42 |
| Property Tax | 1.07 | 0.86 | 1.31 |
| Credit Card Charges | 0.04 | - | - |
| ISO Certification Charges | 0.10 | 0.15 | 0.10 |
| Software Maintenance Charges | 0.31 | 0.18 | 0.04 |
| Rent on Machinery | 10.67 | - | - |
| Godown Maintenance | 8.01 | - | - |
| Professional Fees | 9.07 | 6.85 | 2.07 |
| Product Design | 6.32 | - | - |
| Vehicle Maintenance | 2.30 | 0.35 | - |
| Repair & Maintenance Injection Machine | 22.38 | 8.17 | 8.74 |
| Repair & Maintenance Roto Machine | 12.74 | 14.77 | 8.19 |
| Repair & Maintenance Tools & Dies | 3.02 | 8.21 | - |

| Particulars | Proprietorship | | |
|--|-----------------------|----------------|----------------|
| | for the Year ended on | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Repair & Maintenance | 8.79 | 3.21 | 5.37 |
| Telephone | 1.23 | 0.72 | 0.79 |
| Electricity | 14.63 | 8.73 | 1.94 |
| Water | 2.68 | 2.59 | 1.55 |
| Website Charges | 0.27 | 0.73 | 0.04 |
| Export Charges | 4.94 | - | - |
| Sales Promotion | 2.96 | 0.77 | 1.00 |
| Exhibition & Stall Rent | 37.99 | 14.15 | - |
| Foreign Currency Variation | 0.24 | (0.32) | - |
| Commission on Loan | 0.91 | 0.19 | 0.42 |
| Interest on GST | 1.55 | 0.48 | - |
| Insurance for Stock | 1.69 | 0.36 | 2.08 |
| Stamp Charges | 2.92 | 4.68 | - |
| Insurance For Property | 1.86 | 1.70 | 2.26 |
| Insurance Exp Of Office Vehicle | 2.07 | 2.27 | 1.65 |
| Hamal Charges | 0.90 | 0.09 | - |
| Rounding Off | 0.00 | - | - |
| Conveyance | 0.10 | 0.04 | 0.05 |
| Professional Tax | 2.27 | 3.07 | 1.26 |
| Travelling Expenses | 30.39 | 8.94 | 6.96 |
| Brokerage | 0.46 | - | - |
| Commission on Sales | 1.42 | 3.68 | 0.67 |
| Discount on Sales | 8.06 | 6.38 | 3.69 |
| Insurance for Transit | 0.07 | 0.78 | 1.11 |
| Pot Samples | 0.43 | - | - |
| Petrol & Diesel | 1.35 | 1.43 | 0.16 |
| Online Sales Expense | 1.04 | - | - |
| Mvat | 11.58 | 26.03 | 0.44 |
| MPCP Payment | 0.87 | - | - |
| Computer Exp. | 0.12 | - | - |
| Pooja Exp. | 0.14 | - | - |
| Internet Charges | 0.06 | 0.01 | - |
| Staff Room Rent | 2.21 | 0.60 | - |
| Courier | 0.00 | - | - |
| Tea Coffee Refreshment | 0.05 | - | - |
| Sweeper Charges | 0.33 | - | - |
| Accounting Charges | - | 0.15 | - |
| Labour, Hammali, Local etc. | - | - | 0.86 |
| Legal and Agreement Charges (Property) | - | - | 0.28 |
| Insurance on Loan | - | - | 0.90 |
| Vehicle Expenses | - | - | 1.03 |
| Total | 498.48 | 296.10 | 178.59 |

ANNEXURE – S

RESTATED STATEMENT OF MANDATORY ACCOUNTING RATIOS

(Amount in Lakhs Rs. Except Per Share Data)

| Particulars | Proprietorship | | |
|-------------------------------|----------------|----------------|----------------|
| | As at | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Net Worth (A) | 939.20 | 835.79 | 744.52 |
| Restated Profit after tax | 222.86 | 247.75 | 199.73 |
| Less: Prior Period Item | - | - | - |
| Adjusted Profit after Tax (B) | 222.86 | 247.75 | 199.73 |

| Particulars | Proprietorship | | |
|---|----------------|----------------|----------------|
| | As at | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Number of Equity shares (Face Value Rs 10) outstanding as on the of Year | - | - | - |
| Weighted Average Number of Equity shares (Face Value Rs 10) (c) | - | - | - |
| Weighted Average Number of Equity shares (Face Value Rs 10) after considering Bonus Issue of Shares (D) | - | - | - |
| Current Assets (E) | 1,361.85 | 1,245.74 | 1,053.13 |
| Current Liabilities (F) | 810.54 | 770.35 | 617.41 |
| Restated Basic and Diluted Earning Per Share (Rs.) (B/D) | - | - | - |
| Return on Net worth (%) (B/A) | 23.73% | 29.64% | 26.83% |
| Net asset value per share (A/C) (Face Value of Rs. 10 Each) | - | - | - |
| Current Ratio (E/F) | 1.68 | 1.62 | 1.71 |
| Restated Earnings Before Interest Tax Depreciation and Amortisation and Other Income (EBITDA) | 567.93 | 536.83 | 466.06 |

Note:

- The ratios have been computed as below:
 - Return on net worth (%) -: Net profit after tax (as restated) / Net worth at the end of the period or year
 - EBITDA has been calculated as Profit before Tax+ Depreciation+ Interest Expenses-Other Income
- Net worth for ratios mentioned is equals to capital + Reserves and surplus
- The figures disclosed above are based on the restated summary statements.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

ANNEXURE – T

RESTATED STATEMENT OF RELATED PARTY TRANSACTION

Lis of Related Parties

| Particulars | Names of related parties | Nature of Relationship |
|--|--------------------------|--|
| Directors and Key Management Personnel (KMP) | Hitesh Chunilal Shah | Managing director |
| | Harshit Hitesh Shah | Whole Time Director & CFO |
| | Dipti Hitesh Shah | Non-Executive Director |
| | Megh Hitesh Shah | Non-Executive Director |
| | Arjun Manish Bhanushali | Independent Director |
| | Dhruva Hemandra Parekh | Independent Director |
| Enterprises in which KMP/Relatives of KMP can exercise significant influence | Exotic Planters | Proprietorship firm of Relative of KMP |

(₹ in Lakhs)

| (i) Transactions with Director in KMP | Proprietorship | | |
|---|------------------------------|------------------------------|------------------------------|
| | Year Ended on March 31, 2023 | Year Ended on March 31, 2022 | Year Ended on March 31, 2021 |
| 1 Harshit Hitesh Shah | | | |
| Director Remuneration | 7.92 | - | - |
| Enterprises in which KMP/Relatives of KMP can exercise significant influence | | | |
| 2 Exotic Planters | | | |
| Sales | 72.50 | 109.26 | 236.33 |
| Closing Balance (Dr/(cr)) | 0.70 | 8.23 | 2.48 |

ANNEXURE – U

RESTATED STATEMENT OF CAPITALISATION

(₹ in Lakhs)

| Particulars | Proprietorship | |
|--|----------------|---------------|
| | Pre-Issue | |
| | March 31, 2023 | |
| Debt | | |
| Short Term Debt | | 60.04 |
| Long Term Debt | | 529.56 |
| Total Debt | | 589.60 |
| Capital & Reserves | | |
| Capital | | 939.20 |
| Reserves & Surplus | | - |
| Less: Miscellaneous Expenses not w/off | | - |
| Total Shareholders' Fund (Equity) | | 939.20 |
| Long Term Debt/Equity | | 0.56 |
| Total Debt/Equity | | 0.63 |

Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short-term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at March 31, 2023.

ANNEXURE – V

RESTATED STATEMENT OF TAX SHELTER

(₹ in Lakhs)

| Particulars | | Proprietorship | | |
|-------------|---|------------------------------|----------------|----------------|
| | | for the period/year ended on | | |
| | | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| A | Profit before taxes as restated | 300.32 | 331.32 | 267.36 |
| B | Tax Rate Applicable % | 25.17 | 25.17 | 25.17 |
| C | Tax Impact (A*B) | 75.59 | 83.39 | 67.29 |
| | Adjustments: | | | |
| D | Permanent Differences | | | |
| | Expenses disallowed due to non-deduction of TDS | | | |
| | Expenses disallowed as per IT Act 1961 | 7.46 | 0.73 | 1.36 |
| | Total Permanent Differences | 7.46 | 0.73 | 1.36 |
| E | Timing Difference | | | |
| | Difference between tax depreciation and book depreciation | 73.21 | 2.89 | 13.16 |
| | Expenses Disallowed Under Section 43 B | | | |
| | Total Timing Differences | 73.21 | 2.89 | 13.16 |
| | Set off of Carried forwarded Business Losses | - | - | - |
| F | Net Adjustment (F) = (D+E) | 80.68 | 3.62 | 14.51 |
| G | Tax Expenses/ (Saving) thereon (F*B) | 20.30 | 0.91 | 3.65 |
| H | Tax Liability, After Considering the effect of Adjustment (C +G) | 95.89 | 84.30 | 70.94 |
| I | Interest U/s 234A, B and C of Income Tax Act | - | - | - |
| J | Total Tax expenses (L+M+N) | 95.89 | 84.30 | 70.94 |

Notes:

1. The aforesaid statement of tax shelters has been prepared as per the restated Summary statement of profits and losses of the Company. The permanent/timing differences have been computed considering the acknowledged copies of the income-tax returns/Provisional computation of total income of respective years as stated above.

ANNEXURE – W

RESTATED STATEMENT OF CONTINGENT LIABILITIES

(₹ in Lakhs)

| Particulars | Proprietorship | | |
|--|-------------------|-------------------|-------------------|
| | As at | | |
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Contingent liabilities in respect of: | - | - | - |
| Claims against the company not acknowledged as debts | - | - | - |
| Guarantees given on Behalf of the Company | - | - | - |
| TDS Defaults with respect to Delay filing fee, Short Deduction and Interest thereon | - | - | - |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | - | - | - |
| Income Tax Outstanding Demand | - | - | - |
| Uncalled liability on shares and other investments partly paid | - | - | - |
| Total | - | - | - |

ANNEXURE – X

RESTATED STATEMENT OF OTHER FINANCIAL RATIO

| Sr. No. | Ratios | Proprietorship | | |
|---------|---|----------------|----------------|----------------|
| | | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| 1 | Current Ratio (No of Times) | 1.68 | 1.62 | 1.71 |
| 2 | Debt Equity Ratio (No of Times) | 0.63 | 0.58 | 0.74 |
| 3 | Debt Service Coverage Ratio (No of Times) | 4.27 | 3.71 | 2.62 |
| 4 | Return On Owner's Capital (%) | 25.11% | 31.35% | 24.84% |
| 5 | Inventory Turnover Ratio (In Days) | 51 | 43 | 45 |
| 6 | Trade Receivable Turnover Ratio (In Days) | 76 | 88 | 111 |
| 7 | Trade Payable Turnover Ratio (In Days) | 63 | 49 | 56 |
| 8 | Net Capital Turnover Ratio (No Of Times)# | 7.94 | 7.65 | 4.61 |
| 9 | Net Profit Ratio (%) | 5.47% | 7.11% | 7.93% |
| 10 | Return On Capital Employed (%) | 24.54% | 30.14% | 25.74% |
| 11 | Return On Investment/Total Assets (%) | 16.46% | 19.62% | 18.32% |

Note:

Details of numerator and denominator for the above ratio are as under

- 1) Current Ratio = Current Assets / Current Liabilities.
- 2) Debt- equity ratio = Total debt / Capital
- 3) Debt service coverage ratio = (Net Profit After Tax+ Depreciation+ Interest)/ (Principal + Interest).
- 4) Return on Owner's Capital ratio= Net profit after taxes / Avg Shareholder's Equity.
- 5) Inventory turnover ratio=Cost of goods sold or sales/Average inventory.
- 6) Trade receivables turnover ratio= Revenue from Operations /Average trade receivables.
- 7) Trade payables turnover ratio=Purchase/Average trade payables.
- 8) Net Capital turnover ratio=Net sales/Average working capital.
- 9) Net profit ratio=Net profit after taxes/Total Revenue.
- 10) Return on capital employed=Earnings before interest and taxes/Capital employed.
- 11) Return on investment/Total Assets=PAT/Total Assets.

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

Details of period ended July 31, 2023 (Based on Restated Financial Statements)

Total Income:

The Company has been incorporated in December 30, 2022. However, the Company had taken over the proprietary running business of promoter viz. Harshdeep Agro Products. Total income for the period ended July 31, 2023 stood at ₹1,482.84 Lakhs, which comprises of revenue from products manufactured by the issuer (net of excise Duty) and other incomes i.e. Packing Charges.

Revenue from Operations:

During the period ended July 31, 2023 revenue from operations was ₹1,481.05 Lakhs, which comprises of revenue from manufacturing and supplying of various types of pots and planters like Indoor Planters, Outdoor Planters, Illuminated Planters, Decorative Planters, Roto Moulded Planters, Fiber Reinforced Plastic (FRP) Planters, Eco series Planters etc. along with related accessories like Garden Hose Pipe & Water Can

Other Income:

During the period ended July 31, 2023, other income was ₹1.79 Lakhs which comprises of Packing Charges.

Total Expenses:

The Total Expenses for the period ended July 31, 2023 stood at ₹1,245.98 Lakhs, which comprises of Cost of goods sold, Purchase of Stock in Trade, Change in inventories of finished goods, Employee benefits expense, Finance costs, Depreciation and amortization and other expenses

Cost of Goods sold & Purchase of Stock in Trade:

The Raw material consumption & cost of goods sold for the period ended July 31, 2023 stood at ₹1,420.66 Lakhs which comprises of purchase of Raw Material for manufacturing the end products.

Change in inventories of finished goods:

The Change in inventories of finished goods for the period ended July 31, 2023 stood at (₹656.52) Lakhs

Employee benefits expense:

Our Company has incurred ₹106.69 Lakhs as Employee benefits expense for the period ended July 31, 2023 which comprises of Salary & wages, Contribution to Provident Fund and Other Fund and Staff Welfare Expenses

Finance costs:

Finance costs for the period ended July 31, 2023 was ₹4.14 Lakhs which comprises of Interest expense on Bank loans and other borrowing costs.

Depreciation and Amortization Expenses:

Depreciation for the period ended July 31, 2023 was ₹46.75Lakhs.

Other Expenses:

Other Expenses for the period ended July 31, 2023 stood at ₹324.26 Lakhs which comprises of Electricity Expenses, Gas expenses, Labour Charges, Packing and forwarding charges, Wages, Advertisement expenses, Exhibition and stall rent, Godown maintenance, Insurance expenses, Rent for Godowns, Professional Charges, Transportation charges etc.

Restated Profit/ (Loss) before tax:

Restated Profit before tax for the period ended July 31, 2023 was ₹236.86 Lakhs.

Restated Profit/ (Loss) after tax:

The Company reported Restated Profit after tax for the period ended July 31, 2023 at ₹177.24 Lakhs.

GOVERNMENT AND OTHER APPROVALS

I. APPROVALS FOR THE ISSUE

Agreements with NSDL and CDSL:

- e) The company has entered into a Tripartite agreement dated January 23, 2023 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is Link Intime (India) Private Limited for the dematerialization of its shares.

OTHER REGULATORY AND STATUTORY DISCLOSURES

- 5) The Company & the Proprietorship confirms that it has a combined operating profits (earnings before depreciation and tax) from operations for at least 2 financial years out of preceding three financial years and its net-worth as on July 31, 2023 and March 31, 2023 is positive.

The Financial Details of Proprietorship firm is as follows:

| Particulars | (₹ in Lakhs) | | |
|---------------------------------------|----------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Proprietor's Capital | 939.20 | 835.79 | 744.52 |
| Revenue from Operation | 4,076.70 | 3,485.61 | 2,519.05 |
| Restated Net Profit/ (Loss) after Tax | 222.86 | 247.75 | 199.73 |

Our Company's net worth and cash accruals from operations (earnings before depreciation and tax), based on the Restated Financial Statements included in this Draft Red Herring Prospectus for the stub period ended on July 31, 2023 is set forth below:

| Particulars | (₹ in Lakhs) | |
|---------------------|---------------|----------------|
| | July 31, 2023 | March 31, 2023 |
| EBITDA | 285.46 | - |
| Net Worth | 1,325.82 | 4.73 |
| Net Tangible Assets | 3,059.49 | 4.89 |
| Cash Accruals | 283.61 | - |

- 11) Our Company shall mandatorily facilitate trading in Demat securities for which we have entered into an agreement with the Central Depository Services Limited (CDSL) dated January 23, 2023 and National Securities Depository Limited (NSDL) dated January 24, 2023 for establishing connectivity.

SECTION VIII: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

Minimum Application Value, Market Lot and Trading Lot

Tripartite Agreement dated January 23, 2023 between CDSL, our Company and Registrar to the Issue;

ISSUE PROCEDURE

Equity Shares in Dematerialized Form with NSDL or CDSL

- Tripartite Agreement dated January 23, 2023 between CDSL, the Company and the Registrar to the Issue;

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Material Contracts

7. Tripartite Agreement dated January 23, 2023 among CDSL, the Company and the Registrar to the Issue.

Material Documents

7. Auditors Report dated January 15, 2024 on the Financial Information of M/S Harshdeep Agro Products (Proprietorship).

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
|---|------------------|
| Hitesh Chunilal Shah Chairman & Managing director DIN: 09843633 | Sd/- |

Date: January 16, 2024

Place: Thane, Maharashtra

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
|---|------------------|
| Harshit Hitesh Shah Whole time Director & Chief Financial Officer DIN: 09843635 | Sd/- |

Date: January 16, 2024

Place: Thane, Maharashtra

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
|--|------------------|
| Dipti Hitesh Shah Non-Executive Director DIN: 09843634 | Sd/- |

Date: January 16, 2024
Place: Thane, Maharashtra

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
|---|------------------|
| Megh Hitesh Shah Non-Executive Director DIN: 10322752 | Sd/- |

Date: January 16, 2024
Place: Thane, Maharashtra

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
|---|------------------|
| Dhruva Hemandra Parekh Independent Director DIN: 07039600 | Sd/- |

Date: January 16, 2024

Place: Thane, Maharashtra

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

| Name and Designation | Signature |
|--|------------------|
| Arjun Manish Bhanushali Independent Director DIN: 10322739 | Sd/- |

Date: January 16, 2024
Place: Thane, Maharashtra

DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY:

| Name and Designation | Signature |
|---|------------------|
| Shreya Gandhi Company Secretary and Compliance Officer | Sd/- |

Date: January 16, 2024

Place: Thane, Maharashtra