



## AJOONI BIOTECH LIMITED (CIN- L85190PB2010PLC040162)

Our Company was originally incorporated at Chandigarh as “Ajooni Biotech Private Limited” on 17<sup>th</sup> February, 2010 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. Consequent upon the conversion of our Company to public limited company, the name of our Company was changed to “Ajooni Biotech Limited” and fresh certificate of incorporation dated 27<sup>th</sup> September, 2017 was issued by the Registrar of Companies, Chandigarh, Punjab. For further details in relation to the changes to the name of our Company, please refer to the section titled “General Information” beginning on page 47 of this Letter of offer.

**Registered Office:** D-118, Industrial Area, Phase-7, Mohali, Punjab - 160055  
**Tel:** +0172-5020758-69

**Email:** [info@ajoonibiotech.com](mailto:info@ajoonibiotech.com) **Website:** [www.ajoonibiotech.com](http://www.ajoonibiotech.com)

**Contact Person:** Ms. Swati Vijan, Company Secretary & Compliance Officer

**PROMOTERS OF OUR COMPANY:** MR. JASJOT SINGH AND M/S HEALTHY BIOSCIENCES PRIVATE LIMITED

**FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF AJOONI BIOTECH LIMITED ONLY**

**NEITHER OUR COMPANY, OUR PROMOTERS NOR OUR DIRECTORS HAVE BEEN DECLARED AS A WILFUL DEFAULTER OR FRAUDULENT BORROWER BY THE RBI OR ANY OTHER GOVERNMENT AUTHORITY**

### THE ISSUE

ISSUE OF UPTO 4,83,60,313 EQUITY SHARES OF FACE VALUE OF RS. 2 EACH (“EQUITY SHARES”) OF AJOONI BIOTECH LIMITED (“ABL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. 6 PER EQUITY SHARE (INCLUDING PREMIUM OF RS. 4 PER EQUITY SHARE) (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT NOT EXCEEDING RS. 2,901.62 LACS TO THE ELIGIBLE EQUITY SHAREHOLDERS ON RIGHTS BASIS IN THE RATIO OF 29 (TWENTY NINE) EQUITY SHARES FOR EVERY 30 (THIRTY) EQUITY SHARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. 25<sup>TH</sup> NOVEMBER, 2022 (THE “ISSUE”). THE ISSUE PRICE IS 3 TIME OF FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 122 OF THIS LETTER OF OFFER.

### GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer.

Specific attention of the investors is invited to “Risk Factors” beginning on page 23 of this Letter of Offer before making an investment in this Issue.

### ISSUER'S ABSOLUTE RESPONSIBILITY

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

### LISTING

The existing Equity Shares of our Company are listed on National Stock Exchange of India Limited (NSE). Our Company has received “in-principle” approval from NSE for listing the Equity Shares to be allotted pursuant to the Issue through its letter dated 3<sup>rd</sup> November, 2022. Our Company will also make an application to NSE to obtain its trading approval for the right entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is NSE.

### ADVISOR TO THE ISSUE

### REGISTRAR TO THE ISSUE



**NAVIGANT CORPORATE ADVISORS LIMITED**  
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**Website:** [www.navigantcorp.com](http://www.navigantcorp.com)  
**SEBI Registration Number:** INM000012243  
**Contact Person:** Mr. Sarthak Vijlani



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**Investor Grievance Email:** [investor@cameoindia.com](mailto:investor@cameoindia.com)  
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**Contact Person:** Ms. K. Sreepriya  
**SEBI Registration No:** INR000003753

### ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE OF ON MARKET RENONCIATIONS*	ISSUE CLOSSES ON**
WEDNESDAY, 7 <sup>TH</sup> DECEMBER, 2022	FRIDAY, 9 <sup>TH</sup> DECEMBER, 2022	THURSDAY, 15 <sup>TH</sup> DECEMBER, 2022

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

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

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## SECTION I - GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

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

*The words and expressions used in this Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits" and "Financial Statements" beginning on pages 75 and 100, respectively of this Letter of Offer, shall have the meaning given to such terms in such sections.*

#### Company Related Terms

Terms	Description
"Ajooni Biotech Limited" or "the Company" or "our Company" or "we" or "us" or "our" or "the Issuer"	Ajooni Biotech Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at D-118, Industrial Area, Phase-7, Mohali, Punjab - 160055.
Articles of Association	The Articles of Association of our Company as amended from time to time.
Auditors / Statutory Auditors	The Statutory Auditors of our Company being M/s. Harjeet Parvesh & Company, Chartered Accountant.
Board / Board of Directors / our Board	The Board of Directors of our Company or a duly constituted committee thereof, as the context may refer to.
Director(s)	Any or all the director(s) of our Board, as may be appointed from time to time.
Equity Shares / Shares	Equity Shares of face value of Rs. 2 each of our Company.
Internal Auditors	M/s. N. Kumar & Co, Chartered Accountants.
Key Managerial Personnel / KMP	Mr. Jasjot Singh, Managing Director and Chief Financial Officer, Mr. Partek Singh, Director, Mr. Gursimran Singh, Whole time Director and Mrs. Swati Vijan, Company Secretary and Compliance Officer, collectively referred as Key Managerial Personnel of the Company.
Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Promoter	Mr. Jasjot Singh and M/s Healthy Biosciences (P) Ltd.
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed by our Company in the filings made with the Stock Exchange under the SEBI Listing Regulations.
Registered Office	Registered office of our Company situated at D-118, Industrial Area, Phase-7, Mohali, Punjab - 160055.

Terms	Description
Registrar of Companies / ROC	Registrar of Companies, Chandigarh and Punjab.
Subsidiary / Subsidiary Company / our Subsidiary	Our Company has no Subsidiary as on this date of filing of this Letter of Offer.

#### Issue Related Terms

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



Term	Description
ASBA Account	An account maintained with an SCSB and specified in the CAF or plain paper application, as the case may be by the Applicant for blocking the amount mentioned in the CAF or in the plain paper application.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.
Bankers to the Issue / Escrow Collection Bank	Axis Bank Limited
Banker to the Issue Agreement	Agreement dated 21 <sup>st</sup> November, 2022 entered into by and amongst our Company, the Registrar to the Issue and the Bankers to the Issue for collection of the Application Money from Applicants/ Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in "Terms of the Issue" beginning on page 122 of this Letter of Offer.
CAF / Common Application Form	The application form used by Investors to make an application for Allotment under the Issue
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmld=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmld=34</a>
Designated Branches	Such branches of the SCSBs which shall collect application forms used by ASBA Investors and a list of which is available at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmld=34">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmld=34</a>
Designated Stock Exchange	National Stock Exchange of India Limited
Depository	A depository registered with SEBI under the SEBI (Depository and Participant) Regulations, 2018, as amended from time to time, read with the Depositories Act, 2018.
Draft Letter of Offer / DLOF	This draft letter of offer dated 27 <sup>th</sup> October, 2022
ECS	Electronic Clearing Service
Equity Shareholder(s)/ Shareholder(s)	The holders of Equity Shares of our Company.
Eligible Equity Shareholders / Eligible Shareholders/	Holders of Equity Shares of our Company as on the Record Date, i.e. 25 <sup>th</sup> November, 2022.
Escrow Account(s)	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors.



<b>Term</b>	<b>Description</b>
"Escrow Collection Bank", "Allotment Account Bank(s)" or "Refund Bank(s)"	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, Axis Bank Limited
Fraudulent Borrower	A fraudulent borrower, as defined under the SEBI ICDR Regulations
General Corporate Purposes	General corporate purposes shall have the meaning as determined in Regulation 2(1)(r) of the SEBI ICDR Regulations.
GIR	General Index Registrar
IEPF	Investor Education and Protection Fund
Investor(s)	The Equity Shareholders of our Company on the Record Date i.e. 25 <sup>th</sup> November, 2022 and the Renouncee(s).
ISIN	International securities identification number
Issue / the Issue / this Issue / Rights Issue	Issue of upto 4,83,60,313 Equity Shares with a face value of Rs. 2 each for cash at a price of Rs. 6 per Equity Share including a premium of Rs. 4 per Equity Share aggregating up to Rs. 2,901.62 Lakhs on a rights basis to Eligible Shareholders in the ratio of 29 (Twenty Nine) Rights Equity Shares for every 30 (Thirty) fully paid-up Equity Share held on the Record Date i.e. 25 <sup>th</sup> November, 2022.
Issue Closing Date	Thursday, 15 <sup>th</sup> December, 2022
Issue Opening Date	Wednesday, 7 <sup>th</sup> December, 2022
Issue Price	Rs. 6 per Equity Share
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	The issue of upto 4,83,60,313 Rights Equity Shares for an amount aggregating up to Rs. 2,901.62 Lakhs.
Letter of Offer / LOF	The final letter of offer to be issued by our Company in connection with the Issue.
Listing Agreement	Uniform listing agreement entered into under the Listing Regulations between our Company and the Stock Exchange.
MICR	Magnetic Ink Character Recognition
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/ Renouncee in respect of the Rights Entitlement available in their demat account. However, supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application.
NAV	Net Asset Value calculated as Net Worth divided by number of fully paid-up Equity Shares.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to the chapter titled "Objects of the Issue" beginning on page 70 of this Letter of Offer.
Net Worth	Net worth as defined under Section 2(57) of the Companies Act.
Non Institutional Investor(s)	Investor, including any company or body corporate, other than a Retail Individual Investor and a QIB.
Offer Document	The Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto.

<b>Term</b>	<b>Description</b>
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before 9 <sup>th</sup> December, 2022
QIBs / Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Rights Equity Shares i.e. 25 <sup>th</sup> November, 2022.
Registered Foreign Portfolio Investors / Foreign Portfolio Investors / Registered FPIs / FPIs	Foreign portfolio investors as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014.
Registrar to the Issue / Registrar and Transfer Agent / RTA	Cameo Corporate Services Ltd.
Registrar Agreement	Agreement dated 18 <sup>th</sup> October, 2022 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouncee(s)	Person(s) who has / have acquired Rights Entitlements from the Eligible Equity Shareholders.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on 9 <sup>th</sup> December, 2022 in case of Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Investor(s)	Individual Investors who have applied for Rights Equity Shares for an amount less than or equal to Rs. 200,000 (including HUFs applying through their karta).
Rights Entitlements (Res)	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date.
RE-ISIN	The RE-ISIN for Rights Entitlement of full paid-up shares being INE820Y20013.
Rights Equity Shares / Rights Shares	The equity shares of face value Rs. 2 each of our Company offered and to be issued and allotted pursuant to the Issue.

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

#### Business and Industry related Terms / Abbreviations

Term	Description
FSMS	Food Safety Management Systems
ASSOCHAM	Associated Chambers of Commerce and Industry
ISO	International Organisation for Standardisation
IMF	International Monetary Fund
CAGR	Capital Adequacy Growth Rate
CPI	Consumer Price Index
Credit Suisse	Credit Suisse Business Analytics India
CSO	Central Statistics Office
DAC	Department of Agriculture & Cooperation
DAHD&F	Department of Animal Husbandry, Dairying & Fisheries
DARE	Department of Agriculture Research & Education
DIPP	Department of Industrial Policy and Promotion
EMDEs	Emerging Market and Developing Economies
EMEs	Emerging Market Economies

Term	Description
ERC	Expenditure Reforms Com-mission
FCO	Fertilizer Control Order
FDI	Foreign Direct Investment
FMCG	Fast-moving Consumer Goods
FPI	Foreign Portfolio Investment
MSMEs	Micro, Small and Medium Enterprises

### Conventional and General Terms or Abbreviations

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

Term	Description
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2017 as amended from time to time
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Fiscal /Fiscal Year/ Financial Year/FY	12 month period commencing from April 1 and ending on March 31 of the immediately succeeding year.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
FPI	Foreign Portfolio Investor
FVCIs	Foreign venture capital investors as defined in and registered with SEBI under the SEBI FVCI Regulations.
GCP	General Corporate Purpose
Government/Gol	Government of India
GST	Goods and Service Tax
HFC	Housing finance companies
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
IFRS	International Financing Reporting Standards
Ind AS	Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
Indian GAAP	Generally accepted accounting principles followed in India.
Insider Trading Regulations /	SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time
ISIN	International Securities Identification Number
ISRO	Indian Space Research Organisation
I.T. Act / IT Act	Income Tax Act, 1961
I. T. Rules	Income Tax Rules, 1962, as amended from time to time.
KMP	Key Managerial Personnel
Lakh	One hundred thousand
LM	Lead Manager
MCA	Ministry of Corporate Affairs, Government of India
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House which is a consolidated system of ECS.
NBFC	Non-banking financial companies
NCD(s)	Non-convertible debentures
Net Worth	Aggregate of Equity Share capital and other equity
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer
N.A.	Not Applicable
NI Act	Negotiable Instruments Act, 1881



Term	Description
NR	Non Resident
NRE	Non Resident External Account
NRI	Non Resident Indian
NSDL	National Securities Depositories Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Deposit) Regulations, 2000 and which was in existence on the date of the commencement of Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's)) Regulations, 2003 and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the regulations.
p.a.	Per Annum
PAN	Permanent Account Number
PAT	Profit after tax
QP	Qualified purchaser as defined in the U.S. Investment Company Act
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RTGS	Real Time Gross Settlement
SAT	Securities Appellate Tribunal
SCORES	SEBI Complaints Redress System
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended from time to time
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time
SEBI ICDR Regulations / ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Listing Regulations / Listing Regulations / SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI Takeover Regulations / SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended from time to time



<b>Term</b>	<b>Description</b>
SEBI Relaxation Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and the SEBI Relaxation Circulars
STT	Securities transaction tax
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Total Borrowings	Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities
UPI	Unified Payments Interface
U.S/United States	The United States of America
USD / US\$	United States Dollars
US Securities Act	The United States Securities Act of 1933, as amended from time to time
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
WHO	World Health Organization

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

## NOTICE TO INVESTORS

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

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

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

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

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

#### **NO OFFER IN THE UNITED STATES**

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

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

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



## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Certain Conventions

In this Letter of Offer, unless otherwise specified or context otherwise requires, references to 'US\$', '\$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, and references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to 'India' are to the Republic of India and its territories and possessions and the references herein to 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

### Financial Data

Unless stated otherwise, financial data in this Letter of Offer is derived from the Audited Financial Statements, Unaudited Financial Results which have been prepared by our Company in accordance with Indian accounting standards as specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended and are also included in this Letter of Offer.

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

In this Letter of Offer, any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off. Certain figures in decimals have been rounded off and accordingly there may be consequential changes in this Letter of Offer.

### Currency of Presentation

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

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

### Market and Industry Data

Unless stated otherwise, industry and market data used in this Letter of Offer have been obtained or derived from publicly available information. Publicly available Information generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Letter of Offer is reliable, it has not been independently verified and neither we, nor the Company nor of any of their affiliates, jointly or severally, make any representation as to its accuracy or completeness. The extent to which the market and industry data used in this Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely



among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section "Risk Factors" beginning on page 23 of this Letter of Offer.

**Conversion rates for foreign currency:**

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

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

*(Rs. per unit of Foreign Currency)*

Sr. No.	Name of Currency	As on November 24, 2022	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
1	U.S. Dollar	81.6664	74.214	73.2035	75.325

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



## FORWARD LOOKING STATEMENTS

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

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

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

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled “Risk Factors” beginning on page 23 of this Letter of Offer. By their very nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact or net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

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



*Ajooni Biotech Limited*

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statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

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



## SECTION II - SUMMARY OF LETTER OF OFFER

*The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including, "Objects of the Issue", "Our Business", "Outstanding Litigation and other Defaults" and "Risk Factors" beginning on pages 70, 89, 109, and 23 respectively of this Letter of Offer.*

### 1. Summary of Business

Our Company was originally incorporated at Chandigarh as "Ajooni Biotech Private Limited" on 17<sup>th</sup> February, 2010 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. Consequent upon the conversion of our Company to public limited company, the name of our Company was changed to "Ajooni Biotech Limited" and fresh certificate of incorporation dated 27<sup>th</sup> September, 2017 was issued by the Registrar of Companies, Chandigarh, Punjab.

Our Company got listed on January 02, 2018 on Emerge platform of National Stock Exchange of India Limited.

In the year 2010, Mr. Gurmeet Singh father of Mr. Jasjot Singh along with others put the first brick of foundation of our Company in the name of M/s Ajooni Biotech Private Limited. He began with himself sourcing of raw material and manufacturing of cattle feeds & Feed supplements and selling them. Lateron, Mr. Jasjot Singh joined the business to increase the spectrum and volume of operations.

We are engaged in manufacturing, producing, processing and supplying of Cattle feed, Nutrients related to cattle feed and manufacturing & production of Animal health care supplements. We are registered with Department of Industries, Govt. of Punjab as Small Scale Industry (SSI) and also registered with Department of Dairy Development, Govt of Punjab.

Our Company is a research and development focused animal healthcare solution company dedicated to improve the productivity of dairy farmers of sustainability increase milk yield. India's 1<sup>st</sup> ZED certified cattle feed with ISO 9000:2015 and also registered with Bureau of Indian Standards (BIS) and manufacturing ISI Mark Animal Feed. Our Company is using most modern technologies for all its operations such as ERP, PLC system to control production of most effective logistic systems.

We have entered into an exclusive agreement with IFFCO KISAN for supply of calcium on PAN India Basis in addition to Balinee Milk Producer Company Limited, Harit Pradesh Milk Producer Company Limited, Paras Enterprises and Saahaj Milk Producer Company Limited for manufacturing of Cattle feed and Distribution of Cattle feed and feed supplements in the states of Punjab, Himachal Pradesh, Jammu & Kashmir, Haryana, Rajasthan and western Uttar Pradesh.

Our brand is considered the trust worthy brands among our customers. It is driven to combine innovation of compassion to create value driven products for all stakeholders. It focuses to leverage capabilities to develop cost effective solutions to improve animal health and productivity.

Our products come in variety of packaging to cater to all type of customers and their needs.

We manufacture cattle feed & supplement under own brand name of "AJOONI". For Marketing of our own brand in the Market we have a strong professional team which covers the area of Punjab, Haryana,



Uttar Pradesh, Rajasthan and Jammu and Kashmir. Our product is well accepted in the market. We are having a strong Dealer & Distribution Network across these states. We are planning to expand our marketing network across the country. Our Factory is established at Gaib Di Pulli, Village Bullepur, Tehsil Khanna, Distt. Ludhiana measuring 13 kanal 2 Marla i.e. land measuring 6K-15M out of land measuring 13K-2M comprised in Khewat No. 145 Khatuni No. 160 Killa No. 16//22, 17//25/1, 28//5/1, 29//1/1 and land measuring 6K-7M out of land measuring 8K-0M comprised in Khewat No. 143 khatauni No. 158 Kila No. 16//21 and built up area comprising 25000 Sq. ft working shed/ Godown and office under RCC Shed 4000 SFT area and our Godown is situated at Near Gaib Di Pully, G.T. Road Khanna, Tehsil-Khanna, District- Ludhiana-141401, Punjab measuring 12000 Sq. Ft. The company has purchases new land for expansion. Total land area is 31500 sq feet adjoining to its existing manufacturing plant.

We have a dedicated in-house Testing and Quality Control Team which undertakes rigorous testing and quality management. We have dedicated semi-automatic and manual testing machines. Our Testing and QC team coupled with our testing equipments ensure the quality of raw material dispensed in the production process and also the finished goods delivered to our customers. This helps in improving our procurement process thus reducing wastages, returns and other related costs.

**For further details, please see chapter titled “Our business” beginning on page 89 of this Letter of Offer.**

### **Summary of Industry**

The Indian animal feed market reached a value of INR 873.7 Billion in 2021. Looking forward, IMARC Group expects the market to reach INR 1493.8 Billion by 2027, exhibiting at a CAGR of 9.6% during 2022-2027. Keeping in mind the uncertainties of COVID-19, we are continuously tracking and evaluating the direct as well as the indirect influence of the pandemic. These insights are included in the report as a major market contributor.

India currently represents one of the largest feed producers in the world. Animal feed includes various raw, processed and semi-processed products that are fed to livestock. Some of the most common feeds include pasture grasses, cereal grains, hay and silage crops, and other by-products of food crops, such as brewers’ grains, pineapple bran and sugar beet pulp. These products are carefully formulated with the help of nutritional additives, like vitamins and minerals, to maintain the overall health of animals and improve the quality of various end-products, including eggs, meat and milk. In this country, there has been a rise in public concern regarding the safety of animal-origin food products due to the prevalence of food-borne bacterial infections, bovine spongiform encephalopathy (BSE) and dioxin contamination. These concerns have prompted regulatory organizations to inspect and improve feeding practices in the country.

**For further details, please see chapter titled “Our Industry” beginning on page 77 of this Letter of Offer.**

## **2. Object of the Issue**

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

**(Amount in Lakhs)**

<b>S.No.</b>	<b>Particulars</b>	<b>Amounts</b>	<b>% of gross proceeds</b>	<b>% of Net proceeds</b>
1.	To part finance the requirement of Working Capital	2,176.62	75.01	75.67

S.No.	Particulars	Amounts	% of gross proceeds	% of Net proceeds
2.	To meet General corporate purposes	700.00	24.12	24.33
3.	To meet the expenses of the Issue	25.00	0.86	-
	<b>Total</b>	<b>2,901.62</b>	<b>100.00</b>	<b>100.00</b>

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

The Promoter and members of the Promoter Group of our Company have, vide their letters dated 20<sup>th</sup> October, 2022 ("Subscription Letters") indicated their intention to subscribe, jointly and / or severally in part or to the full extent of their Rights Entitlement (including any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group of our Company) and that they may renounce their Right Entitlements.

Further, Mr. Jasjot Singh and M/s. Healthy Biosciences Private Limited, Promoter of our Company has, vide Subscription Letter, expressed that they reserve the right to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any), subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

The acquisition of Additional Rights Equity Shares by the Promoter and Promoter Group, if any, shall not result in change in control of the management of the Company and shall be in accordance with the provisions of the SEBI Takeover Regulations and shall not result in breach of the minimum public shareholding requirements stipulated under the SEBI Listing Regulations.

As such, other than meeting the requirements indicated in the chapter titled "Objects of the Issue" at page 70 of this Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares, even if, as a result of any allotment in the Issue to our Promoter and / or the members of our Promoter Group, the shareholding of our Promoter and / or Promoter Group in our Company exceeds their current shareholding.

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

### 4. Financial Summary

The following table depicts the summary of the financial information derived from the Audited Financial Statements of the Company for the preceding three financial years:

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

Sr. No.	Particulars	For the year ended on		
		March 31, 2022	March 31, 2021	March 31, 2020
		Ind AS	Ind AS	Ind AS
1.	Share Capital	1000.56	1000.56	840.50
1.1	No of Shares	10005582	10005582	8405024
1.2	Face Value per Equity Share	10	10	10
2.	Net worth	1851.29	1746.71	1589.10

Sr. No.	Particulars	For the year ended on		
		March 31, 2022	March 31, 2021	March 31, 2020
		Ind AS	Ind AS	Ind AS
3.	Revenue from operations	7403.78	5103.89	4003.26
4.	Profit After Tax **	104.88	37.31	34.68
5.	Earnings Per Share - Basic (Rs.)	1.05	0.37	0.41
6.	Earnings Per Share - Diluted (Rs.)	1.05	0.37	0.41
7.	NAV per Equity Shares	18.50	17.45	18.91
8.	Total Borrowings (As per Balance Sheet)*	535.05	678.36	502.53

\* Not annualized

\*\* Before other Comprehensive Income

## 5. Auditor Qualifications

There are no qualifications, reservations and adverse remarks made by our Statutory Auditors in their report which requires any adjustment to Audited financial statements of the Company for the financial year 2021-22, 2020-21 and 2019-20.

## 6. Summary of outstanding litigations

S.No.	Outstanding Litigations	Amount (in Lakhs)
1.	Pending Litigations involving our Company, our directors, our promoters and associate Company	71.00
2.	Pending Dues to Revenue Departments	-
3.	Pending litigation with Revenue Departments	-

For further details, please see chapter titled “Outstanding Litigations and Other Defaults” beginning on page 109 of this Letter of Offer and risk factors on page 23 of this letter of offer.

## 7. Risk Factors

For details of the risks associated with our Company, ongoing business activities, objects of the Issue and material litigations which may impact our business, please see the section titled “Risk Factors” beginning on page 23 of this Letter of Offer.

## 8. Contingent liabilities

As on March 31, 2022, there are no contingent liabilities of our Company. See “Financial Statements” beginning on page 100 of this Letter of Offer.

## 9. Related party transactions

For details regarding our related party transactions as per Ind AS 24, see “Financial Statements” beginning on page 100 of this Letter of Offer.

## 10. Financing Arrangements

There has been no financing arrangement whereby our Promoter, members of the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our



Company other than in the normal course of the business of the financing entity during the period of 6 (six) months immediately preceding the date of this Letter of Offer.

**11. Issue of Equity Shares for consideration other than cash in last one year**

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

**12. Split / Consolidation**

There has been sub division (face value split) from Rs. 10 per equity share to Rs. 2 per equity share on the record date of 7th October, 2022. Accordingly, the paid up of the Company stand modified from 10005582 Equity Share of Rs. 10 each to 50027910 Equity Share of Rs. 2 each.

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

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

### SECTION III - RISK FACTORS

*An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Letter of Offer, including in "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and "Financial Statements" before making an investment in our Equity Shares.*

*The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition and results of operations could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.*

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

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

#### INTERNAL RISK FACTORS

##### BUSINESS RELATED RISK

1. **The Novel coronavirus (Covid-19) pandemic outbreak and steps taken control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.**

The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. Currently, there is substantial medical uncertainty regarding COVID-19 and till any cure is found, this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe.

Further, if in case due to any consequent wave of Coronavirus, if long term lockdown is imposed in the country or the state in which we perform of business, we may face losses and our business operations could be severely impacted.

2. **Our Company is involved in various litigation, the outcome of which could adversely affect our business and financial operations.**

Summary of litigations are given below:

Particulars		No. of Cases/ Disputes	Approximate Aggregate Claim Amount (Rs. In Lakhs)
<b>LITIGATION BY OR AGAINST OUR COMPANY</b>			
<b>Litigation filed by Our Company</b>			
	<b>Civil Cases filed by our Company</b>	7	71.00
	<b>Criminal cases filed by our Company</b>	-	-

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

For details of the above litigation, please refer to the section titled "Outstanding Litigation" appearing on page 109 of this Letter of offer.

### 3. The Registered Office, Factory and Godown of Our Company is not owned by us.

We operate from our registered office situated at D-118, Industrial Area, Phase-7, Mohali, Punjab - 160055. The same has been taken on lease from M/s Healthy Biosciences Private Limited, Promoter of the Company to use the place situated at D-118, Industrial Area, Phase-7, Mohali, Punjab - 160055 as registered office. Any discontinuance of facility to use the office will lead us to locate any other premises. Our inability to identify the new premises may adversely affect the operations, finances and profitability of our Company.

Following are the details of other properties taken by our Company on lease:

Sr. No.	Details of the Property	Licensor/Vendor	Consideration	Use	Lease period
1.	Gaib Di Pulli, Village Bullepur, Tehsil Khanna, Distt. Ludhiana measuring 13 kanal 2 Marla i.e. land measuring 6K-15M out of land measuring 13K-2M comprised in Khewat No. 145 Khatuni No. 160 Killa No. 16//22, 17//25/1, 28//5/1, 29//1/1 and land measuring 6K-7M out of land measuring 8K-0M comprised in Khewat No. 143 khatauni No. 158 Kila No. 16//21 and built up area comprising 17000 Sq. ft working shed/ Godown	M/s Khanna Solvex, Khanna	Rs.43,200 per month.	Factory and Godown	15 (fifteen) year w.e.f. 1 <sup>st</sup> October, 2015

Sr. No.	Details of the Property	Licensor/Vendor	Consideration	Use	Lease period
	and office under ACC Shed 550 SFT area for a period 5 years serial no. 15000*1 No. A023258, 100*4 No. T006002-03-04-05				
2.	D-118, Industrial Area, Phase-7, Mohali, Punjab - 160059.	M/s Healthy Biosciences Private Ltd.	Rs.17700 per month.	Registered Office	5 years w.e.f. 1 <sup>st</sup> February, 2022

Any discontinuance of facility to use the factory and Godown will lead us to locate any other premises. Our inability to identify the new premises may adversely affect the operations, finances and profitability of our Company.

4. **Our Promoter has interest in us other than reimbursement of expenses incurred or normal remuneration or benefits and may create potential conflict of interest.**

Our Promoter i.e. M/s Healthy Biosciences Private Limited is interested in the Company to the extent of rentals receivable from our Company and business transactions other than the extent of its shareholding in the Company. For further details please refer to section titled Financial Statements on page 100 of this Letter of offer.

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

The detailed break up of cash flows as per Audited financials for last three financial years and Unaudited financials for half year ended 30<sup>th</sup> September, 2022 is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

Particulars	(Amount in Lakhs)			
	30.09.2022	31.03.2022	31.03.2021	31.03.2020
Net Cash flow from Operating activities	29.95	368.37	115.57	(438.48)
Net Cash Flow from investing activities	(130.89)	(189.72)	(340.98)	47.45
Net Cash Flow from Financing activities	113.44	(197.33)	237.43	330.34
<b>Net Cash Flow for the Year</b>	<b>12.50</b>	<b>(18.68)</b>	<b>12.02</b>	<b>(60.69)</b>

6. **Our Company has posted negative Income in the past.**

Our Company has in the past incurred losses. There can be no assurance that we will be able to maintain the profitability in future. Following are the details:

(Amount in Lakhs)

Particulars	30.09.2022	31.03.2022	31.03.2021	31.03.2020
<b>Total Comprehensive Income for the period</b>	47.74	73.16	(144.03)	34.68

For further details, please refer to financial information beginning on page 100 of this letter of offer.

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

We have entered into transactions with our promoters, Promoter group companies. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

For further details please refer to Financial Information Of Our Company on page 100 of Letter of offer.

**8. Our historical revenues have been significantly dependent on few customers. If our customers choose not to source their requirements from us, our business, financial condition and results of operations may be adversely affected.**

Our top 10 customers have contributed over 94.41% of our revenues for the financial year ended 31<sup>st</sup> March, 2022. Any decline in our quality standards, growing competition and any change in the demand by these customers may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability. However, the composition and revenue generated from these clients might change as we continue to add new clients in normal course of business. We intend to retain our customers by offering solutions to address specific needs in a proactive, cost effective and time efficient manner. This helps us in providing better value to each customer thereby increasing our engagement with our new and existing customer base that presents a substantial opportunity for growth.

**9. Our manufacturing operations are critical to our business and any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations and financial condition.**

Our manufacturing facility/factory is located at, Gaib Di Pulli, Village Bullepur, Tehsil Khanna, Distt. Ludhiana. Our success depends on our ability to successfully manufacture and deliver our products to meet our customer demand. Our manufacturing facility is also susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. It is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and

criminal penalties. If our Company experiences delays in production or shutdowns at our facility due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations. Further, continuous addition of industries in and around our manufacturing facilities without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure therein, which may adversely affect our business.

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

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

**11. Our Company may incur penalties or liabilities for non-compliances with certain provisions of the Companies Act and other applicable laws in the last five (5) Years.**

Our Company may incur penalties or liabilities for some non compliances with certain provisions of the Companies Act, 2013, non registration of lease agreement executed for property situated at D-118, Industrial Area, Phase-7, Mohali, Punjab - 160059, Gaib Di Pulli, Village Bullepur, Tehsil Khanna, Distt. Ludhiana. Such non compliances may incur the penalties or liabilities which may affect the results of operations and financial conditions of the Company.

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

As a listed company, we are required to comply with certain conditions for continuous listing under the SEBI Listing Regulations and other rules and regulations imposed by SEBI, which require us to



make certain periodic disclosures, including disclosures about any material events or occurrences with respect to our Company, disclosure of our financial statements and disclosure of our updated shareholding pattern. Any failure to comply with these continuous disclosure requirements or any wrongful disclosure made by us to the Stock Exchange or any other statutory authority may lead to penalties being imposed on us.

There has been, on few occasions, inadvertent Non Compliances/ Delay Compliances done by our Company as required under the provisions of SEBI LODR Regulations, Insider Trading Regulations, SEBI Takeover Regulations. We believe, we are in compliance with rules and regulations imposed by the NSE and SEBI with respect to continuous listing, any failure to comply with such rules and regulations or any wrong disclosure/ Non filing/ Delay Filing to the NSE or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

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

As on the date of this Letter of Offer, no investor complaint is outstanding on SCORES. But there is no assurance that in future the Company will be able to resolve each and every investor complaint received on SCORES. For detailed information of the no. of Investor Complaints received and resolved by the Company, kindly refer to page 121 of this letter of letter.

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

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

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

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

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

Our manufacturing facility is subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters,

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

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

The capacity of our current plant at Gaib Di Pulli, Village Bullepur, Tehsil Khanna, Distt. Ludhiana is not fully utilized. The Installed capacity has been increasing during the last three years and the capacity utilization of our plants has also been increasing on a year on year basis in the last three years from 55% in the year 2018-2019 to 90% at present, the capacities of our products at our current Plant has not been fully utilized. Further, we propose to fully utilize our production capacities in next three year based on our estimates of market demand and profitability. In the event of nonmaterialization of our estimates and expected order flow for our product and/or failure of optimum utilization of our capacities, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilized thereby impairing our ability to fully absorb our fixed cost and may adversely impact our financial performance.

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

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

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

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

We attempt to retain our position by maintaining quality and by our ability to improve and add value to the performance of our customers in their respective areas. This requires constant upgradation of the methodology and manufacturing technologies are adequately equipped. Further,

we rely on a variety of advertising efforts tailored to target the customers. Failure to maintain and enhance our reputation or any actual or perceived reasons leading to reduction of benefits from our customers or any negative publicity against us may affect the rate of customers. Any failure by us to retain or attract customers may adversely impact our business and revenues.

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

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

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

The demand for our products depends on quality that we manufacture and market. Any failure of ours to maintain the quality standards may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our products will always be able to satisfy our customer's quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products or any other unforeseen events could adversely affect our reputation, our operations and our results from operations.

**22. Any shortage or non-availability of power supply may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.**

Our manufacturing process requires a constant power supply which is met by State Electricity Board. In the event there is any disruption of power supply for long from State Electricity Board, the same could result in disruption of our manufacturing process which may adversely affect our results of operations and financial condition of the company. However there have been no such instances of long outages in the past few years.

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

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

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

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

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

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity. Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

**26. Our lenders have charge over our immovable properties in respect of finance availed by us.**

We have provided security in respect of loans / facilities availed by us from banks and financial institutions by creating a charge over our immovable properties. The total amounts outstanding and payable by us as secured loans were Rs. 519.29 lacs as on March 31, 2022. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be subject to forfeiture by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further details of secured loans of our Company, please refer the chapter titled *Financial Information* on page 100 of this Letter of offer.

**27. Unsecured loans in form of inter corporate deposits / CC Limit taken by our Company from various Companies/Directors / banks can be recalled by the lenders at any time.**

As on March 31, 2022, our Company has unsecured loans amounting to Rs. 8.65 lacs from corporate/Directors and CC Limit of Rs. 182.03 Lacs that may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect

our cash flows. For further details of unsecured loans of our Company, please refer the chapter titled *Financial Information* on page 100 of this Letter of offer.

**28. Our Directors, Promoter, Relative to our Promoters have provided personal guarantees to certain loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.**

Our Directors, Promoter and relative of our Promoter have provided personal guarantees in relation to certain loan facilities availed of by us. In the event that any of these guarantees are revoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

**29. Termination of agreements/arrangements with Customers, could negatively impact our revenues and profitability.**

Our customers typically retain us on a non-exclusive basis. Many of our client contracts can be terminated with or without cause by providing notice and without termination-related penalties. Additionally, most of clients carry no commitment to a specific volume of business or future work. Our business is dependent on the decisions and actions of our customers, and there are a number of factors relating to our clients that are outside our control that might result in the termination of an assignment or the loss of a client, including a demand for price reductions. Therefore our business may be adversely affected if any of our contracts are terminated by our customers.

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

Our Company uses third party transportation providers for delivery of our raw materials and finished goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. In addition goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products, which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials or finished goods may have an adverse effect on our business and results of operations. Further, disruptions of transportation services due to weather related problems, strikes, lock-outs, inadequacies in the road infrastructure, or other events could impair ability to procure raw materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

**31. While we are currently not subject to extensive Governmental regulation, any regulatory or legal framework introduced in the future may increase our compliance requirements and costs, which may adversely affect our business, results of operations and prospects. However, to run our business, we require certain regulatory permits and approval to operate.**

At present, the segments in which we operate are not subject to extensive Government regulation. While we are not in a position to predict the likelihood, timing or content of any such regulation or

legislation, if any such regulation or legislation is notified, we may be affected in various ways. However, we have obtained all permits and licenses, which are adequate to run our business. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

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

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

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

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

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

**34. Insurance coverage obtained by us may not adequately protect us against unforeseen losses.**

We have maintained insurance coverage of our assets and accident policies. We believe that the insurance coverage maintained, would reasonably cover all normal risks associated with the operation of our business, however, there can be no assurance that any claim under the insurance policies maintained by us will be met fully, in part or on time.

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



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

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

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

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

- 37. Delay in raising funds from the Right issue could adversely impact the implementation schedule.**

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

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

The fund requirement and deployment, as mentioned in the “Objects of the Issue” on page 70 of this Letter of Offer is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “Objects of the Issue” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency.



Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “Objects of the Issue” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

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

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

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

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

**41. We have not independently verified certain data in this Letter of offer.**

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

**42. Our Company will not distribute the Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.**

Our Company will dispatch this Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the “Offering Materials”) to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e- mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

## ISSUE RELATED RISK

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

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

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

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

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

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

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

The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price.

There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

- (a) quarterly variations in the rate of growth of our financial indicators such as earnings per share;

- (b) changes in revenue or earnings estimates or publication of research reports by analysts;
- (c) speculation in the press or investment community;
- (d) general market conditions; and
- (e) domestic and international economic, legal and regulatory factors unrelated to our performance.

## EXTERNAL RISK FACTORS

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

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

Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India, which may cause fluctuations in the prices of our Equity Shares. This could have an adverse effect on our business and financial performance, and ability to obtain financing for expenditures.

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

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

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

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

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

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

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

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

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

Our operations, may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations which may affect our manufacturing processes. Damage or destruction that interrupts our production could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our infrastructure.

We may also be liable to our customers for disruption in supply resulting from such damage or destruction. Our insurance coverage for such liability may not be sufficient. Any of the above factors may adversely affect our business, our financial results and the price of our Equity Shares.

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

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

Promoter Group) will not dispose of, encumber, or pledge its Securities.

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

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

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

The extent to which the Novel Coronavirus further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events.

We are still assessing our business operations and system supports and the impact Novel Coronavirus may have on our results and financial condition, but there can be no assurance that this analysis will enable us to avoid part or all of any impact from the spread of Novel Coronavirus or its consequences, including downturns in business sentiment generally or in our sector in particular. The degree to which Novel Coronavirus impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people.



Further in case the lockdown is extended, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company.

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

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

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

## SECTION IV- INTRODUCTION

### THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled “*Terms of the Issue*” beginning on page 122 of this Letter of Offer:

#### Authority for the Issue

The Equity Shares in the present Issue are being offered pursuant a resolution passed by our Board at its meeting held on 17<sup>th</sup> October, 2022 in accordance with the provisions of the Companies Act.

#### Summary of the Issue

<b>Rights Equity Shares to be Issued</b>	Upto 4,83,60,313 Equity Shares
<b>Rights Entitlement for Equity Shares</b>	29 (Twenty Nine) Rights Equity Shares for every 30 (Thirty) fully paid-up Equity Share held on the Record Date.
<b>Record Date</b>	25 <sup>th</sup> November, 2022
<b>Face value per Equity Share</b>	Rs. 2 each
<b>Issue Price per Rights Equity Share</b>	Rs. 6 per Rights Equity Share
<b>Issue Size</b>	Upto Rs. 2,901.62 Lakhs
<b>Equity Shares outstanding prior to the Issue</b>	5,00,27,910 Equity Shares
<b>Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)</b>	9,83,88,223 Equity Shares
<b>ISIN and NSE Symbol</b>	ISIN: INE820Y01021, NSE: AJOONI
<b>Terms of the Issue</b>	For more information, please see the chapter titled “ <i>Terms of the Issue</i> ” beginning on page 122 of this Letter of Offer.
<b>Use of Issue Proceeds</b>	For more information, please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 70 of this Letter of Offer.
<b>Terms of Payment</b>	The full amount of Issue Price Rs. 6 per Rights Equity Share is payable on Application.

For details in relation fractional entitlements, see “Terms of the Issue - Fractional Entitlements” beginning on page 139 of this Letter of Offer.

#### Terms of payment

<b>Due Date</b>	<b>Amount payable per Equity Shares</b>
On the Issue application (i.e. along with the Application Form)	Rs. 6



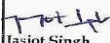
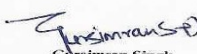




## **SUMMARY OF FINANCIAL STATEMENTS**

The summary financial information of our Company as derived from the audited standalone financial statements of our Company for the financial year ended on March 31, 2022 and the limited reviewed unaudited standalone financial results of our Company for the Six months ended on September 30, 2022 is reproduced below. Our summary financial information should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in chapter titled “Financial Statements” beginning on page 100 of this Letter of Offer.

*[The remainder of this page has been intentionally left blank]*


**AUDITED PROFIT AND LOSS FOR THE PERIOD ENDING 31<sup>ST</sup> MARCH, 2022**

PARTICULARS		31ST MARCH 2022	31ST MARCH 2021
<b>INCOMES :</b>			
Revenue from Operations	16	74,03,77,673	51,03,88,901
Other Income	17	3,81,292	1,72,109
<b>TOTAL Incomes Rs.</b>		<b>74,07,58,965</b>	<b>51,05,61,010</b>
<b>EXPENSES :</b>			
Cost of Material Consumed	18	63,91,49,425	43,35,59,989
Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	19	9,84,549	-34,32,815
Employee Benefit Expenses	20	1,48,14,961	1,14,78,437
Finance Cost	21	54,00,692	58,40,690
Depreciation Expense	22	1,11,07,074	57,75,160
Other Expenses			
Operating Expenses	23	1,47,39,506	1,27,00,527
Administrative Expenses	24	3,99,51,623	3,95,96,648
<b>TOTAL Expenses Rs.</b>		<b>72,61,47,830</b>	<b>50,55,18,636</b>
<b>NET PROFIT BEFORE INCOME-TAX &amp; EXCEPTIONAL ITEMS</b>		<b>1,46,11,135</b>	<b>50,42,373</b>
<b>TAX EXPENSE</b>			
- (a) Current Tax		44,76,260	15,03,280
(b) Deferred Tax	25	3,53,354	1,91,424
<b>PROFIT FOR THE PERIOD</b>		<b>1,04,88,229</b>	<b>37,30,517</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that will not be classified to Profit and loss:</i>			
Changes in Fair value of FVOCI Equity Instruments	2	-37,36,093	-1,61,29,155
Profit/ Loss on sale of shares		5,64,290	-20,04,365
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>-31,71,803</b>	<b>-1,81,33,520</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>73,16,426</b>	<b>-1,44,03,003</b>
<b>EARNINGS PER SHARE</b>	25	<b>1.05</b>	<b>0.37</b>
<b>NOTES ON ACCOUNTS</b>			
NOTE '16' TO '24' AND NOTE '25'			
FORM INTEGRAL PART OF THE ACCOUNT			
FOR AND ON BEHALF OF THE BOARD			
 Jasjot Singh MANAGING DIRECTOR/CFO	 Gursimran Singh DIRECTOR	 Swati Vijan CS	<b>AUDITOR'S REPORT</b> As per our report of even date For HARJEET PARVESH & Co CHARTERED ACCOUNTANTS
DATE : 09/05/2022			
PLACE : MOHALI			

**AUDITED BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2022**

PARTICULARS	NOTES	31ST MARCH 2022	31ST MARCH 2021	1ST APRIL 2020
<b>I. ASSETS</b>				
<b>(1) Non - Current Assets</b>				
a) Property, Plant and Equipment	1	6,20,52,358	5,16,17,081	2,07,15,278
b) Financial Assets				
(1) Investments	2	70,38,909	1,14,82,856	3,07,86,506
c) Deferred Tax Asset		18,18,383	14,65,029	12,73,605
d) Other Non Current Assets	3	-	14,07,030	28,14,060
<b>(2) Current Assets</b>				
a) Inventories	4	5,88,17,040	5,37,62,090	3,28,56,814
b) Financial Assets				
(1) Cash & Cash Equivalent	5	5,73,855	24,40,976	12,38,879
(2) Short Term Loans and advances	6	2,14,71,815	1,98,82,931	1,24,66,892
(3) Trade Receivables	7	13,84,02,877	13,71,17,389	12,64,18,512
c) Other Current Asset	8	-	10,87,547	21,04,378
<b>TOTAL Rs.</b>		<b>29,01,75,237</b>	<b>28,02,62,930</b>	<b>23,06,74,924</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
a) Equity Share Capital	9	10,00,55,820	10,00,55,820	8,40,50,240
b) Other Equity	10	6,37,67,836	5,64,51,410	7,48,59,992
<b>(2) Non-Current Liabilities</b>				
a) Financial Liabilities				
(1) Borrowings	11	2,57,63,844	1,89,79,313	1,33,07,393
<b>(3) Current Liabilities</b>				
a) Financial Liabilities				
(1) Borrowings	12	2,77,40,793	4,88,57,260	3,69,45,933
(2) Trade Payables	13	6,79,91,141	5,40,03,957	1,93,28,252
b) Other Current Liabilities	14	3,79,543	4,11,890	4,99,582
c) Current tax liabilities (Net)	15	44,76,260	15,03,280	16,83,532
<b>TOTAL Rs.</b>		<b>29,01,75,237</b>	<b>28,02,62,930</b>	<b>23,06,74,924</b>
NOTES ON ACCOUNTS NOTE '1' TO '15' AND NOTE '25' FORM INTEGRAL PART OF THE BALANCE-SHEET				
FOR AND ON BEHALF OF THE BOARD				
 Jasjot Singh MANAGING DIRECTOR/CFO	 Gursimran Singh DIRECTOR	 Swati Vijan CS	 <b>RIET PARVESH &amp; CO</b> AUDITOR'S REPORT As per our report of even date For <b>RIET PARVESH &amp; Co</b> CHARTERED ACCOUNTANTS Chartered Accountants CA Konica Madan M.No 547759	
DATE : 09/05/2022 PLACE : MOHALI				

**AUDITED CASH FLOW STATEMENT FOR THE PERIOD ENDING 31<sup>ST</sup> MARCH, 2022**

	CURRENT YEAR 2022	PREVIOUS YEAR 2021
<b>"A" (1) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) Before Tax	1,46,11,134.87	50,42,373.67
Adjustments for:		
Depreciation & Amortization	1,11,07,073.82	43,68,129.61
(Profit)/loss on sale of Assets/shares	1,14,264	
Interest & Finance Charges	54,00,692	58,40,689.95
Interest Income	-5,548	(2,137.00)
<b>Operating Profit before Working Capital Changes</b>	<b>1,66,16,481.85</b>	<b>1,02,06,682.56</b>
Adjustments for:	3,12,27,616.72	1,52,49,056.23
Decrease/(Increase) in Receivables	(12,85,487.72)	(1,06,98,877.47)
Decrease/(Increase) in Inventories	(50,54,919.47)	-20905276.74
Decrease/(Increase) in Loans and Other Advances	(15,88,883.49)	(74,16,039.07)
Decrease/(Increase) in Other Current Assets	10,87,547.00	10,16,831.00
Increase/(Decrease) in Trade Payables	1,39,87,183.88	3,46,75,705.66
Increase/(Decrease) in Other Current Liabilities	32,347.81	71,77,758.01
<b>Cash generated from operations</b>	<b>3,84,05,374.73</b>	<b>(2,68,779.20)</b>
Tax paid/refund	15,67,980.00	1,16,52,620.41
<b>Net Cash flow from Operating activities</b>	<b>3,68,37,394.73</b>	<b>95,414.65</b>
<b>(2) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Tangible Assets/ Intangible Assets/ Capital Work-In-Progress	(2,12,40,238.00)	(3,52,69,932.00)
Sale of Fixed Asset	9,90,653.00	
(Increase)/Decrease by sale/purchase in Non-Current Investments	12,72,149.05	11,70,130.00
Interest Income	5,548.00	2,137.00
<b>Net Cash used in Investing activities</b>	<b>(1,89,71,887.95)</b>	<b>(3,40,97,665.00)</b>
<b>(3) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share premium		60,00,000.00
Proceeds from Issue of Share Capital		60,00,000.00
Proceeds from/ (Repayment) of Long term Borrowings	67,84,531.39	56,71,920.00
Increase/(Decrease) in Short Term Borrowings	(2,11,16,466.87)	1,19,11,326.68
Interest and Other Finance Costs paid	(54,00,692.03)	(58,40,689.95)
<b>Net Cash used in financing activities</b>	<b>(1,97,32,627.51)</b>	<b>2,37,42,556.73</b>
<b>"B" Net increase in cash &amp; Cash Equivalents</b>	<b>(18,67,120.73)</b>	<b>12,02,097.49</b>
Add: Cash and Cash equivalents at the Beginning of the Year	24,40,976.31	12,38,879.18
<b>"C" Cash and Cash equivalents at the End of the Year</b>	<b>5,73,855.22</b>	<b>24,40,976.31</b>
<b>Cash &amp; Cash Equivalents at the End of the Year</b>	<b>CURRENT YEAR 2022</b>	<b>PREVIOUS YEAR 2021</b>
Cash in Hand	4,54,145.41	23,08,213.97
Cash at Bank	1,19,709.81	1,32,762.34
<b>Cash &amp; Cash equivalents as stated</b>	<b>5,73,855.22</b>	<b>24,40,976.31</b>
	-0.00	
FOR AND ON BEHALF OF THE BOARD		
 Jasjit Singh MANGING DIRECTOR/CTO	 Cursimran Singh DIRECTOR	 Swati Vijan CS
DATE: 09/05/2022		
PLACE: MOHALI		
		 AUDITOR'S REPORT As per our report of 09/05/2022 For HARJEET PARVESHI & Co CHARTERED ACCOUNTANTS Mohali M.No. 517759





UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

AJOONI BIOTECH LIMITED						
CIN : L85190PB2010PLC040162						
STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER 2022 (In Lakhs)						
PARTICULARS	Quarter Ended					Year Ended (Audited)
	30.09.2022	30.06.2022	30.09.2021	Period Ended (UnAudited) 30.09.2022	Period Ended (UnAudited) 30.09.2021	
<b>I Income</b>						
Revenue from operations	1,029.14	1,231.07	1,839.19	2,260.21	3,423.81	7403.77
Other income	0.34	0.78	0.81	1.12	1.73	3.81
<b>Total income from operations</b>	<b>1,029.48</b>	<b>1,231.85</b>	<b>1,840.00</b>	<b>2,261.33</b>	<b>3,425.54</b>	<b>7,407.58</b>
<b>II Expenses</b>						
Cost of Material Consumed	767.05	1,072.05	1,562.05	1,839.10	2,904.87	6,391.49
Change In Inventories	55.98	(42.22)	(15.22)	13.76	(16.71)	9.84
Employee benefit expenses	45.86	52.45	42.03	98.31	80.13	148.14
Finance costs	13.38	9.92	22.18	23.30	35.48	54.00
Depreciation and amortization expenses	25.32	24.94	28.86	50.26	47.80	111.07
Payment to NSE				-		
Other expenses	101.63	72.62	154.81	174.25	287.89	546.93
<b>Total expenses</b>	<b>1,009.22</b>	<b>1,189.76</b>	<b>1,794.71</b>	<b>2,198.98</b>	<b>3,339.46</b>	<b>7,261.47</b>
<b>III Profit/(Loss) before exceptional items and tax</b>	<b>20.26</b>	<b>42.09</b>	<b>45.29</b>	<b>62.35</b>	<b>86.08</b>	<b>146.11</b>
<b>IV Exceptional items</b>						
<b>V Profit/(Loss) before tax</b>	<b>20.26</b>	<b>42.09</b>	<b>45.29</b>	<b>62.35</b>	<b>86.08</b>	<b>146.11</b>
<b>VI Tax expenses</b>						
a) Current tax	5.27	10.94	11.78	16.21	22.28	44.76
b) Deferred tax	0.55	1.05	1.75	1.60	2.8	3.53
b) Mat Credit		-	-	-	-	
<b>VII Net Profit/(Loss) for the period/year</b>	<b>15.54</b>	<b>32.20</b>	<b>35.26</b>	<b>47.74</b>	<b>66.60</b>	<b>104.88</b>
<b>VIII Other comprehensive income (net of tax)</b>						
Items that will not be reclassified to profit or loss:		-	5	-	5	(32)
<b>Total other comprehensive income</b>		-	5	-	5	(32)
<b>IX Total comprehensive income for the period/year (VII+VIII)</b>	<b>15.54</b>	<b>32.20</b>	<b>40.19</b>	<b>47.74</b>	<b>71.53</b>	<b>73.16</b>
<b>X Paid-up equity share capital (face value of the share shall be indicated)</b>	<b>1,000.55</b>	<b>1,000.55</b>	<b>1,000.55</b>	<b>1,000.55</b>	<b>1,000.55</b>	<b>1,000.55</b>
<b>XI Other equity (excluding revaluation reserve)</b>	<b>685.41</b>	<b>656.61</b>	<b>637.51</b>	<b>685.41</b>	<b>637.51</b>	<b>637.67</b>
<b>XII EPS in Rs. (Face Value of Rs.10/- each)*</b>						
-Basic	0.16	0.32	0.35	0.48	0.67	1.05
-Diluted	0.16	0.32	0.35	0.32	0.67	1.05

Notes:



- The above results are as per Regulation 33 of the SEBI (LODR) Regulations, 2015 as amended and have been taken on record by Board of Directors at its meeting held on 11.11.2022 after being reviewed by the Audit Committee.
- The company is having single segment in accordance with IND AS 108 "operating segments". and therefore segment reporting is not applicable to the Company.
- Due to re-grouping of schedules, and as per applicability of IND-AS, there has been a difference in the figures as reported earlier.

For Ajooni Biotech Limited

Jasjit Singh  
Managing Director \*  
DIN:  
01937631

Date 11.11.2022

Place : Mohali

## GENERAL INFORMATION

Our Company was originally incorporated at Chandigarh as “Ajooni Biotech Private Limited” on 17<sup>th</sup> February, 2010 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. Consequent upon the conversion of our Company to public limited company, the name of our Company was changed to “Ajooni Biotech Limited” and fresh certificate of incorporation dated 27<sup>th</sup> September, 2017 was issued by the Registrar of Companies, Chandigarh and Punjab.

### REGISTERED OFFICE OF OUR COMPANY

D-118, Industrial Area,  
Phase-7, Mohali  
Punjab - 160055  
Tel:+ 0712-5020761  
Email: [info@ajoonibiotech.com](mailto:info@ajoonibiotech.com); [cs@ajoonibiotech.com](mailto:cs@ajoonibiotech.com)  
Website: [www.ajoonibiotech.com](http://www.ajoonibiotech.com)

### ADDRESS OF REGISTRAR OF COMPANIES

Our Company is registered with the Registrar of Companies, Chandigarh and Punjab.

### CHANGES IN REGISTERED OFFICE

Upon incorporation, the Registered Office of our Company was at 1502, Sector 7-C, Chandigarh 160007. Thereafter, our Company has shifted the Registered Office, the details of which are set out below:

Date of Change of Registered Office	Old Address	New Address	Reason for Change
03.03.2016	1502, Sector 7-C, Chandigarh 160007	D-118, Industrial Area, Phase-7, Mohali, Punjab - 160055	Administrative

### BOARD OF DIRECTORS OF OUR COMPANY

NAME	DESIGNATION	DIN	PAN	ADDRESS
Mr. Jasjot Singh	Managing Director	01937631	BDEPS5766D	House No. 1768 Phase-3B2 Mohali 160055 PB IN
Mr. Partek Singh	Executive and Non Independent Director	07864006	FIDPS8690L	House No 1, Ved Beant Niwas New Moti Bhag Colony Patiala 147001 PB IN
Mr. Gursimran Singh	Whole Time Director	02209675	CAYPS2870L	201, Aquila, The Taj Towers, Sector 104, Mohali, Punjab



NAME	DESIGNATION	DIN	PAN	ADDRESS
Mr. Imtешwar Singh Bhatia	Non Executive And Independent Director	07864007	ARNPB8379D	Ved Basant Niwas, House No 1 Near Gurudawara Moti Bhag Sahib, Near Mo Ti Bhag Co Patiala 147001 PB IN
Ms. Simmi Chhabra	Non Executive And Independent Director	07870398	AMUPC4037B	B-V-179, Inside Cotton Mill Railway Road, Malerkotla, Sangrur Malerkotla 148023 PB
Mr. Ramandeep Singh	Non Executive And Independent Director	07896086	CLIPS8734C	4629, Darshan Vihar Sector 68, Mohali Mohali 160062 PB IN

For more details, please see the section titled “Our Management” on page 93 of this Letter of Offer.

#### **Company Secretary & Compliance Officer:**

**Mrs. Swati Vujan**

D-118, Industrial Area,  
Phase-7, Mohali, Punjab - 160055

Tel:+ 0712-5020761

Email: [cs@ajoonibiotech.com](mailto:cs@ajoonibiotech.com)

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

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post- Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see "Terms of the Issue" beginning on page 122 of this Letter of Offer.

#### **CHIEF FINANCIAL OFFICER:**

**Mr. Jasjot Singh,**

D-118, Industrial Area,  
Phase-7, Mohali, Punjab - 160055

Tel:+ 0712-5020761

Email: [cfo@ajoonibiotech.com](mailto:cfo@ajoonibiotech.com)

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

#### **ADVISOR TO THE ISSUE:**

**Navigant Corporate Advisors Limited**

423, A Wing, Bonanza,  
Sahar Plaza Complex,  
J B Nagar, Andheri Kurla Road,  
Andheri East, Mumbai-400 059





Tel.No. +91-22-41204837/49735078  
Email Id- [navigant@navigantcorp.com](mailto:navigant@navigantcorp.com)  
Investor Grievance Email: [info@navigantcorp.com](mailto:info@navigantcorp.com)  
Website: [www.navigantcorp.com](http://www.navigantcorp.com)  
SEBI Registration Number: INM000012243  
Contact Person: Mr. Sarthak Vijlani

#### Registrar to the Issue

**CAMEO CORPORATE SERVICES LTD.**  
Submaramanian Building,,  
1 Club House Road, Chennai 600 002  
Tel No.: +044-40020700 (5 lines)  
Website: [www.cameoindia.com](http://www.cameoindia.com)  
E-mail Id: [priya@cameoindia.com](mailto:priya@cameoindia.com)  
Investor Grievance Email: [investor@cameoindia.com](mailto:investor@cameoindia.com)  
Contact Person: Ms. K. Sreepriya  
SEBI Registration No: INR000003753

#### LEGAL ADVISORS TO THE ISSUE:

**LAW AND LEGAL JURISTS**  
Chamber No. 612, Dwarka Court Complex,  
Sector - 10, Dwarka,  
New Delhi - 110 075  
Tel: +91-011-2381 2302  
Email id: [lljurists@yahoo.co.in](mailto:lljurists@yahoo.co.in)  
Contact Person: Mr. Ranjan

#### STATUTORY AUDITORS:

**M/s. Harjeet Parvesh & Company.**  
Chartered Accountants  
H.No. 112, Sector 71, Mohali, Punjab  
Contact No. 0172-4051243/96460-27023/9812027023  
E-mail: [harjeetparvesh@yahoo.in](mailto:harjeetparvesh@yahoo.in); [harjeetca@yahoo.com](mailto:harjeetca@yahoo.com)  
Contact Person: Mr. Harjeet Singh  
Membership No. 095466  
Firm Registration No.017437N

#### Experts

Our Company has received a written consent dated 20<sup>th</sup> October, 2022 from our Statutory Auditors, M/s Harjeet Parvesh & Company, to include their names in this Letter of Offer as an "expert", as defined under applicable laws, to the extent and in their capacity as statutory auditors, and in respect of the reports issued by them and the Statement of Tax Benefits, included in this Letter of Offer. Such consent has not been withdrawn as on the date of this Letter of Offer.



#### **BANKER TO THE ISSUE AND REFUND BANK:**

**Name :** AXIS BANK LIMITED  
**Address:** Sona Bldg, Plot no.20C, 1<sup>st</sup> Road, Opp BMC Office, Chembur East, Mumbai-71  
**Tel No.:** 022-25275077  
**Fax No.:** NA  
**Email Id:** chembur.branchhead@axisbank.com  
**Contact Person:** Babu Narsingh Gani  
**Website:** [www.axisbank.com](http://www.axisbank.com)  
**SEBI Registration No.:** INBI00000017

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

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

#### **Credit rating**

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

#### **Debenture Trustee**

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

#### **Monitoring Agency**

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

#### **Appraising Agency**

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

#### **Underwriting**

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

#### **Minimum Subscription**

The objects of the Issue are meeting the Working Capital Requirements and General Corporate Purpose, and do not involve financing of capital expenditure for a project.

Further, Promoter and members of the Promoter Group of our Company have, vide their letters dated 20<sup>th</sup> October, 2022 ("Subscription Letters") indicated their intention to subscribe, jointly and / or severally in part or to the full extent of their Rights Entitlement (including any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group of our Company).

Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Issue.

However, Our Promoter and members of the Promoter Group of our Company have, vide Subscription Letter have also indicated that they may renounce their Right Entitlements and that they reserve the right to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any), subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

Accordingly, in case, Our promoters and the promoter group of the issuer do not subscribe fully to their portion of rights entitlement (including any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group of our Company) and renounce their rights in part or in full, then in terms of Regulation 86 of the SEBI ICDR Regulations, our Company would require to achieve minimum subscription of at least 90% of the issue.

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

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

#### **ISSUE SCHEDULE:**

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

<b>Issue Opening Date</b>	Wednesday, 7 <sup>th</sup> December, 2022
<b>Last Date of On Market renunciation of rights entitlements#</b>	Friday, 9 <sup>th</sup> December, 2022
<b>Issue Closing Date*</b>	Thursday, 15 <sup>th</sup> December, 2022

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

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

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., 13<sup>th</sup> December, 2022 to enable the credit of the



Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., 14<sup>th</sup> December, 2022.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. For details on submitting Application Forms, see "Terms of the Issue - Process of making an Application in the Issue" beginning on page 123 of this Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at <https://rights.cameoindia.com/ajooni> after keying in their respective details along with other security control measures implemented thereat. For further details, see "Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders" beginning on page 135 of this Letter of Offer.

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

## CAPITAL STRUCTURE

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

(Rs. in Lakh, except the shares data)

	Particulars	Aggregate value at face value	Aggregate value at Issue Price
<b>A.</b>	<b>AUTHORIZED SHARE CAPITAL</b>		
	12,50,00,000 Equity Shares of Rs. 2 each	2,500.00	-
<b>B.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE</b>		
	5,00,27,910 Equity Shares of Rs. 2 each	1,000.56	-
<b>C.</b>	<b>PRESENT ISSUE BEING OFFERED TO THE EXISTING EQUITY SHAREHOLDERS THROUGH THIS LETTER OF OFFER<sup>(1)</sup></b>		
	Upto 4,83,60,313 Equity Shares at an Issue Price of Rs. 6 per Equity Share	967.21	2,901.62
<b>D.</b>	<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL AFTER THE ISSUE<sup>(2)</sup></b>		
	Upto 9,83,88,223 Equity Shares of face value of Rs. 2 each fully paid up	1,967.76	5903.29
<b>E.</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue		300.73
	After the Issue		2,235.14

(1) The Issue has been authorized by a resolution of our Board passed at its meeting held on 17<sup>th</sup> October, 2022, pursuant to Section 62 of the Companies Act, 2013.

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

### Notes to the Capital Structure:

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

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

Sr. No.	Name of the Promoter & Promoter Group	No. of Equity Shares held	% of total share capital	Details of Equity Shares pledged/ encumbered		Details of Equity Shares locked-in	
				No. of Equity Shares	% of total share capital	No. of Equity Shares	% of total share capital
1	Mr. Jasjot Singh	8923600	17.84	-	-	-	-
2	Ms. Upneet Kaur	2623590	5.24	-	-	-	-
3	Ms. Ishneet Kaur	270980	0.54	-	-	-	-
4	Mrs. Ashmeet Kaur	1616340	3.23	-	-	-	-
5	Mrs. Paramjeet Kaur	1616340	3.23	-	-	-	-
6	M/s. Healthy Biosciences (P) Limited	1161480	2.32	-	-	-	-

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

4. No Equity Shares have been acquired by the Promoter or members of the Promoter Group in the year immediately preceding the date of this Letter of Offer.

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

The Promoter and members of the Promoter Group of our Company have, vide their letters dated 20<sup>th</sup> October, 2022 ("Subscription Letters") indicated their intention to subscribe, jointly and / or severally in part or to the full extent of their Rights Entitlement (including any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group of our Company) and that they may renounce their Right Entitlements.

Further, Mr. Jasjot Singh and M/s. Healthy Biosciences Private Limited, Promoter of our Company has, vide Subscription Letter, expressed that they reserve the right to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any), subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

The acquisition of Additional Rights Equity Shares by the Promoter and Promoter Group, if any, shall not result in change in control of the management of the Company and shall be in accordance with the provisions of the SEBI Takeover Regulations and shall not result in breach of the minimum public shareholding requirements stipulated under the SEBI Listing Regulations.

As such, other than meeting the requirements indicated in the chapter titled "Objects of the Issue" at page 70 of this Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares, even if, as a result of any allotment in the Issue to our Promoter and / or the members of our Promoter Group, the shareholding of our Promoter and / or Promoter Group in our Company exceeds their current shareholding.

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

6. All the Equity Shares of our Company are fully paid-up as on the date of this Letter of Offer. Further, the Equity Shares offered in the Rights Issue shall be made fully paid at the time of their allotment.
7. At any given time, there shall be only one denomination of the Equity Shares of our Company, excluding any equity shares with superior rights, if any, issued by our Company.
8. The ex-rights price per Equity Share arrived in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is Rs. 7.17.
9. The details of the shareholders holding more than 1% of the share capital of the Company as on October 08, 2022 are as under:

Sr. No.	Name of Shareholders	No. of Equity Shares held	% of total share capital
1	Jasjot Singh	8923600	17.84
2	Upneet Kaur	2623590	5.24
3	Parmjeet Kaur	1616340	3.23
4	Ashmeet Kaur	1616340	3.23
5	Healthy Biosciences Private Limited	1161480	2.32
6	Pritika Industries Ltd	1137210	2.27
7	Madhukar Sheth	1050000	2.1
8	Monifest Capital Private Limited	655535	1.31

#### 10. Shareholding Pattern of our Company

Shareholding Pattern of the Equity Shares of our Company as per the last filing with the Stock Exchange, i.e., as on October 08, 2022 is as under:

*[The rest of this page has been intentionally left blank]*



Table I - Summary of Shareholding Pattern

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding 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 Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights					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 X	Class Y	Total								
(A)	Promoter and Promoter Group	6	16212330	-	-	16212330	32.41	16212330	-	16212330	32.41	-	-	-	-	-	-	16212330
(B)	Public	8497	33815580	-	-	33815580	67.59	33815580	-	33815580	67.59	-	-	-	-	-	-	33815580
(C-)	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C-1)	Shares Underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding 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 Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights					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 X	Class Y	Total								
	DRs																	
(C-2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>8503</b>	<b>50027910</b>	<b>-</b>	<b>-</b>	<b>50027910</b>	<b>100.0</b>	<b>50027910</b>	<b>-</b>	<b>50027910</b>	<b>100.0</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50027910</b>

**Table II - Statement showing Shareholding Pattern of the Promoter and Promoter Group**

Sr. No.	Category & Name of the Shareholders (I)	PAN (II) (Not to be Disclosed)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights					Total as a % of Total Voting Rights	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
									Class X	Class Y	Total								
(1)	<b>Indian</b>																		
(a)	<b>Individual / Hindu Undivided Family</b>	-	5	15050850	-	-	15050850	30.08	15050850	-	15050850	30.08	-	30.08	-	-	-	-	15050850
	Jasjot Singh	-	1	8923600	-	-	8923600	17.84	8923600	-	8923600	17.84	-	17.84	-	-	-	-	8923600
	Upneet Kaur	-	1	2623590	-	-	2623590	5.24	2623590	-	2623590	5.24	-	5.24	-	-	-	-	2623590
	Ishneet Kaur	-	1	270980	-	-	270980	0.54	270980	-	270980	0.54	-	0.54	-	-	-	-	270980
	Ashmeet Kaur	-	1	1616340	-	-	1616340	3.23	1616340	-	1616340	3.23	-	3.23	-	-	-	-	1616340
	Paramjeet Kaur	-	1	1616340	-	-	1616340	3.23	1616340	-	1616340	3.23	-	3.23	-	-	-	-	1616340

Sr. No.	Category & Name of the Shareholders (I)	PAN (II) (Not to be Disclosed)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights					Total as a % of Total Voting Rights	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
									Class X	Class Y	Total								
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c.)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any other (Body Corporate)  Healthy Biosciences Private Limited	-	1	1161480	-	-	1161480	2.32	1161480	-	1161480	2.32	-	2.32	-	-	-	-	1161480
	<b>Sub Total (A-1)</b>	-	<b>6</b>	<b>16212330</b>	-	-	<b>16212330</b>	<b>32.41</b>	<b>16212330</b>	-	<b>16212330</b>	<b>32.41</b>	-	<b>16212330</b>	-	-	-	-	<b>16212330</b>
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Category & Name of the Shareholders (I)	PAN (II) (Not to be Disclosed)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights					Total as a % of Total Voting Rights	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
									Class X	Class Y	Total								
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c.)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total (A-2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Category & Name of the Shareholders (I)	PAN (II) (Not to be Disclosed)	No. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights					Total as a % of Total Voting Rights	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
									Class X	Class Y	Total								
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		6	16212330	-	-	16212330	32.41	16212330	-	16212330	32.41	-	16212330	-	-	-	-	16212330

Table III - Statement showing Shareholding Pattern of the Public shareholder

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)  (Not to be Disclosed)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Share holding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
									Class X	Class Y									Total
(1)	<b>Institutions</b>																		
(a)	Mutual Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c.)	Alternate Investment Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors		2	128040	-	-	128040	0.26	128040	-	128040	0.26	-	0.26	-	-	-	-	128040



Sr. No.	Category & Name of the Shareholders (I)	PAN (II)  (Not to be Disclosed)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Share holding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
									Class X	Class Y									Total
(f)	Financial Institutions/ Banks		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>		<b>2</b>	<b>128040</b>	-	-	<b>128040</b>	<b>0.26</b>	<b>128040</b>	-	<b>128040</b>	<b>0.26</b>	-	<b>0.26</b>	-	-	-	-	<b>128040</b>
(2)	Central Government/ State Government(s)/		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)  (Not to be Disclosed)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Share holding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
									Class X	Class Y									Total
	President of India																		
	<b>Sub-Total (B)(2)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	<b>Non-institutions</b>																		
(a)	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	-	8172	20517295	-	-	20517295	41.01	20517295	-	20517295	41.01	-	41.01	-	-	-	-	20517295
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	-	37	8105770	-	-	8105770	16.20	8105770	-	8105770	16.20	-	16.20	-	-	-	-	8105770



Sr. No.	Category & Name of the Shareholders (I)	PAN (II)  (Not to be Disclosed)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Share holding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
									Class X	Class Y								
	Madhukar Sheth	-	1	1050000	-	-	1050000	2.10	1050000	-	1050000	2.10	-	-	-	-	-	1050000
(b)	NBFCs registered with RBI		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c.)	Employee Trusts																	
(d)	Overseas Depositories (holding DRs) (balancing figure)																	
(e)	Any Other (Corporates):																	
	Bodies Corporate	-	35	3047360	-	-	3047360	6.09	3047360	-	3047360	6.09	-	-	-	-	-	3047360

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)  (Not to be Disclosed)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Share holding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
									Class X	Class Y									Total
	Pritika Industries Ltd	-	1	1137210	-	-	1137210	2.27	1137210	-	1137210	2.27	-	2.27	-	-	-	-	1137210
	Monifest Capital Private Limited	-	1	655535	-	-	655535	1.31	655535	-	655535	1.31	-	1.31	-	-	-	-	655535
	Clearing Member	-	15	159050	-	-	159050	0.32	159050	-	159050	0.32	-	0.32	-	-	-	-	159050
	HUF	-	145	1190515	-	-	1190515	2.38	1190515	-	1190515	2.38	-	2.38	-	-	-	-	1190515
	Non-Resident Indian (NRI)	-	91	667550	-	-	667550	1.33	667550	-	667550	1.33	-	1.33	-	-	-	-	667550
	<b>Sub-Total (B)(3)</b>	-	<b>8495</b>	<b>33687540</b>	-	-	<b>33687540</b>	<b>67.34</b>	<b>33687540</b>	-	<b>33687540</b>	<b>67.34</b>	-	<b>67.34</b>	-	-	-	-	<b>33687540</b>

Sr. No.	Category & Name of the Shareholders (I)	PAN (II)  (Not to be Disclosed)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Share holding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights		Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
									Class X	Class Y									Total
	Total Public Shareholding (B)= (B)(1) + (B)(2)+(B)(3)	-	8497	33815580	-	-	33815580	67.59	33815580	-	33815580	67.59	-	67.59	-	-	-	-	3381580

Table IV - Statement showing Shareholding Pattern of the Non Promoter- Non Public shareholder

Sr. No.	Category & Name of the Shareholders (I)	PAN (II) (Not to be Disclosed)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C 2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights					Total as a % of Total Voting Rights	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
									Class X	Class Y	Total								
(1)	Custodian/DR Holder		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Name of DR Holder (if available)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub total (C)(1)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sr. No.	Category & Name of the Shareholders (I)	PAN (II) (Not to be Disclosed)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights					Total as a % of Total Voting Rights	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total Shares held (b)
									Class X	Class Y	Total								
	Benefit) Regulations, 2014)																		
	<b>Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



## OBJECTS OF THE ISSUE

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

1. To part finance the requirement of Working Capital;
2. To meet General corporate purposes;
3. To meet the expenses of the Issue.

*Collectively, referred herein as the “objects”.*

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

### Utilization of Net Proceeds

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

		(Rs. In Lacs)
S. No.	Particulars	Amounts
1)	Gross Proceeds	2,901.62
2)	(Less) Issue related expenses	25.00
3)	<b>Net Proceeds</b>	<b>2,876.62</b>

### FUND REQUIREMENTS

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

					(Rs. In lacs)
S.No.	Particulars	Amounts	% of gross proceeds	% of Net proceeds	
1.	To part finance the requirement of Working Capital	2,176.62	75.01	75.67	
2.	To meet General corporate purposes	700.00	24.12	24.33	
3.	To meet the expenses of the Issue	25.00	0.86	-	
	<b>Total</b>	<b>2,901.62</b>	<b>100.00</b>	<b>100.00</b>	

### Schedule of implementation/ Utilization of Issue Proceeds

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

					(Rs. In lacs)
Sr. No.	Particulars	Amount Proposed to be Deployed from Issue Proceeds	Estimated Schedule of Deployment of Net Proceeds		
			FY 2022-23	FY 2023-24	
1.	To part finance the requirement of Working Capital	2,176.62	1,500.00	676.62	
2.	To meet General corporate purposes	700.00	700.00	-	
3.	To meet the expenses of the Issue	25.00	25.00	-	

Sr. No.	Particulars	Amount Proposed to be Deployed from Issue Proceeds	Estimated Schedule of Deployment of Net Proceeds	
			FY 2022-23	FY 2023-24
	<b>Total</b>	<b>2,901.62</b>	<b>2,225.00</b>	<b>676.62</b>

To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, Our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

#### **MEANS OF FINANCE:**

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

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

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

As we operate in competitive environment, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 23 of this Letter of offer.

#### **DETAILS OF THE OBJECTS**

The details of the objects of the Issue are set out below:

##### **1. TO PART FINANCE WORKING CAPITAL REQUIREMENTS OF THE COMPANY.**

Our Business is a working capital intensive industry. The increasing operations of our company will in turn lead to the increase in the requirement of working capital. The lead time for procuring the products is high and also in order to ensure readily available customized product along with a low lead time for our clients, we enjoy a lower credit period. Further, we are required to provide sufficient credit period to our clients resulting in high receivables and we enjoy minimum credit from our suppliers through against the same. We intend to increase our turnover over the years for which we would be required to provide extended credit period to our customers, but the credit period that we avail from our suppliers shall not increase substantially. This would require us to have adequate working capital to ensure a smooth and uninterrupted flow of our business operations. Accordingly, we expect a further increase in the working capital

requirements in view of current and potential business operations that we may undertake. Accordingly, we have proposed to use upto Rs. 2,176.62 Lacs out of the issue proceeds to meet the increase in long term working capital requirements.

(Rs. In lacs)

Sr. No.	Particulars	31.03.2020	31.03.2021	31.03.2022	31.03.2023	31.03.2024
		Audited	Audited	Audited	Projected	Projected
<b>A.</b>	<b>Current Assets</b>					
	Inventories	328.56	537.62	588.17	1101.29	1156.35
	Trade receivables	1264.18	1371.17	1384.03	2750.20	3025.00
	Other current assets	21.04	10.87	-	190.00	199.50
	Short Term loans and advances	124.67	198.83	214.72	450.00	262.50
	<b>Total Current Assets</b>	<b>1738.45</b>	<b>2118.49</b>	<b>2186.92</b>	<b>4491.29</b>	<b>4643.35</b>
<b>B.</b>	<b>Current Liabilities</b>					
	Trade payable	193.28	540.03	679.91	1587.92	1619.68
	Other current liabilities & Provisions	21.83	19.15	48.55	324.51	331.00
	<b>Total Current Liabilities</b>	<b>215.11</b>	<b>559.18</b>	<b>728.46</b>	<b>1912.43</b>	<b>1950.68</b>
<b>C.</b>	<b>Working Capital Gap (A-B)</b>	<b>1523.34</b>	<b>1559.31</b>	<b>1458.46</b>	<b>2578.86</b>	<b>2692.68</b>
<b>D.</b>	<b>Borrowings/Owned Funds/Internal Accruals</b>	<b>1523.34</b>	<b>1559.31</b>	<b>1458.46</b>	<b>1078.86</b>	<b>2016.06</b>
<b>E.</b>	<b>Working Capital funding through Issue Proceeds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1500.00</b>	<b>676.62</b>

As per our estimates we would require upto Rs. 2,176.62 Lacs out of the issue proceeds to meet the working capital requirements.

#### Justification of Holding Level

<b>Inventories</b>	Higher inventory requirement is in line with increase in projected sales volume from existing business.
<b>Trade Receivables</b>	We have assumed Trade Receivable holding period level in financial year 2022-23 and 2023-24 slightly higher than previous financial year's holding period levels as we are expecting to allow more lenient credit period to our clients. Increase in debtors will be in line with increase in projected sales volume and revenue generation.
<b>Trade Payables</b>	Increase in creditors will be in line with increase in projected purchase of goods and services to service higher sales volume for existing business.

## 2. TO FINANCE THE GENERAL CORPORATE PURPOSE.

The Net Proceeds will first be utilized towards the Objects set out above, as well as meeting the Issue-related expenses. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds of Rs. 700.00 Lacs towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time. We confirm that utilization for general corporate purposes will not exceed 25% of the Gross Proceeds of the Issue.

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

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

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

### ISSUE RELATED EXPENSES

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

Particulars	Amount (Rs. in Lacs)	% of Total Issue Expenses	% of Total Issue Size
Issue management fees, brokerages, Payment to other intermediaries such as Legal Advisors, Registrars etc.	10.00	40.00	0.34
Advertisement & Marketing Expenses, Printing & Stationery, Distribution, Postage, etc.	7.00	28.00	0.24
Regulatory & other expenses	8.00	32.00	0.28
<b>Total</b>	<b>25.00</b>	<b>100.00</b>	<b>0.86</b>

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

The funds deployed up to 30<sup>th</sup> September, 2022 pursuant to the object of this Issue as certified by the Auditors of our Company, viz. M/s. Harjeet Parvesh & Company, Chartered Accountants pursuant to their certificate dated 20<sup>th</sup> October, 2022 is given below:

Deployment of funds	Amount (Rs. In Lacs)
Issue Related Expenses	7.67
Objects Related Expenses	-
<b>Total</b>	<b>7.67</b>

Sources of funds	Amount (Rs. In Lacs)
Internal Accruals	7.67
Bank Finance	-
<b>Total</b>	<b>7.67</b>

### BRIDGE FINANCING

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

#### **APPRAISAL BY APPRAISING AGENCY**

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

#### **INTERIM USE OF FUNDS**

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

#### **MONITORING UTILIZATION OF FUNDS**

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

Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a Quarterly yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1) (a) of the Listing Regulations our Company shall furnish to the Stock Exchanges on a Quarterly basis, a statement indicating material deviations, if any, in the utilization of the Issue Proceeds for the objects stated in this Letter of offer.

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

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

#### **OTHER CONFIRMATIONS**

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

**STATEMENT OF SPECIAL TAX BENEFITS**

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

To,  
**The Board of Directors,**  
Ajooni Biotech Limited  
D-118, Industrial Area, Phase-7, Mohali, Punjab - 160055.

Dear Sirs,

**Subject: Proposed Rights Issue of equity shares with a Face value of Rs. 2/- each by Ajooni Biotech Limited (the “Company”) (the “Issue”)**

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

This statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the rights issue of equity shares of the Company particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement. The contents of the enclosed statement are based on the information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company. We do not express any opinion or provide any assurance as to whether:

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

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

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

**For Harjeet Parvesh & Company**

**Chartered Accountants**

**Firm registration No. 017437N**

**Sd/-**

**Mr. Harjeet Singh**

**Partner**

**Membership No. - 095466**

**Place: Mohali, Punjab**

**Date: 20<sup>th</sup> October, 2022**

**UDIN:22095466BARJOB7575**

**Annexure**

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

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

There are no special tax benefits available to the Company.

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

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

**For Harjeet Parvesh & Company**  
**Chartered Accountants**  
**Firm registration No. 017437N**  
**Sd/-**  
**Mr. Harjeet Singh**  
**Partner**  
**Membership No. - 095466**  
**Place: Mohali, Punjab**  
**Date: 20<sup>th</sup> October, 2022**  
**UDIN:22095466BARJOB7575**



## SECTION V: ABOUT OUR COMPANY

### OUR INDUSTRY

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

Shareholders should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, shareholders should read this entire Letter of Offer, including the information in the sections “Risk Factors” and “Financial Information” on pages 23 and 100, respectively of this Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section ‘Risk Factors’ on page 23 of this Letter of Offer.

### GLOBAL PROSPECTS AND POLICIES

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

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

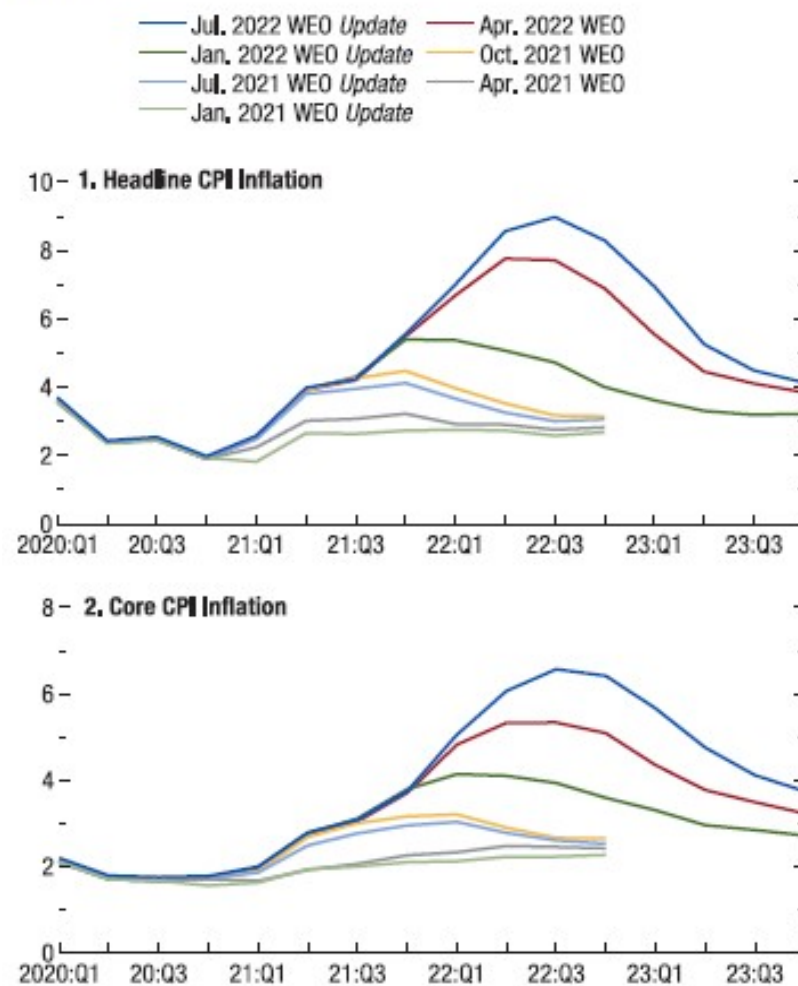
The risks to the outlook are overwhelmingly tilted to the downside. The war in Ukraine could lead to a sudden stop of European gas imports from Russia; inflation could be harder to bring down than anticipated either if labor markets are tighter than expected or inflation expectations unanchor; tighter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

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

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

*Global inflation again surprises on the upside, prompting more central bank tightening.* Since 2021, consumer prices have consistently risen faster than widely expected, including in the *World Economic Outlook* (Figure 1). In the United States, the consumer price index rose by 9.1 percent in June, compared with a year earlier, and it also rose by 9.1 percent in the United Kingdom in May—the highest inflation rates in these two countries in 40 years. In the euro area, inflation in June reached 8.6 percent, its highest level

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



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

since the inception of the monetary union. Equally concerning, in emerging market and developing economies, second-quarter inflation is estimated to have been 9.8 percent. Higher food and energy prices, supply constraints in many sectors, and a rebalancing of demand back toward services have in most economies driven up headline inflation. But underlying inflation has also increased, as reflected in different gauges of core inflation, reflecting the pass-through of cost pressures by way of supply chains and tight labor markets, especially in advanced economies.<sup>1</sup> Wage growth has on average not kept up with inflation across both advanced and emerging market and developing economies, eroding household purchasing power. Although long-term inflation expectations have been stable in most major economies, they have started to rise according to some measures, including in the United States (Figure 2).

In response to incoming data, central banks of major advanced economies are withdrawing monetary support more assertively and raising policy interest rates faster than expected in the April 2022 *World Economic Outlook*.

Central banks in several emerging market and developing economies have raised interest rates more aggressively than during past advanced economy tightening cycles. The associated rise in longer-term borrowing costs, including mortgage rates, and tighter global financial conditions (see box) have led to precipitous declines in equity prices, weighing on growth. At the same time, public COVID-19 support packages have been wound down.

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

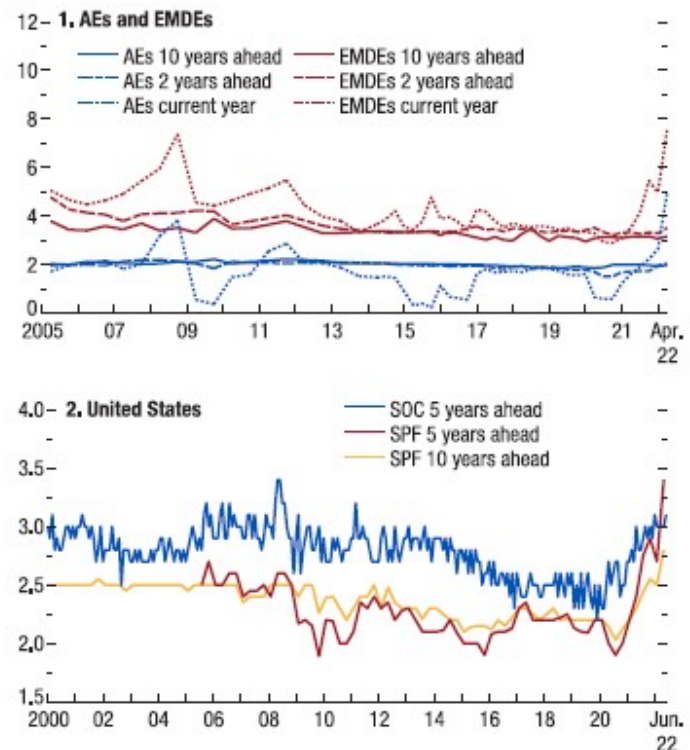
As noted, growth revisions for major advanced economies in 2022-23 are generally negative. Baseline growth in the United States is revised down by 1.4 percentage points and 1.3 percentage points in 2022 and 2023, respectively, reflecting weaker-than-expected growth in the first two quarters of 2022,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

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

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

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

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



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



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

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

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

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

## Indian Economy Overview

### Introduction

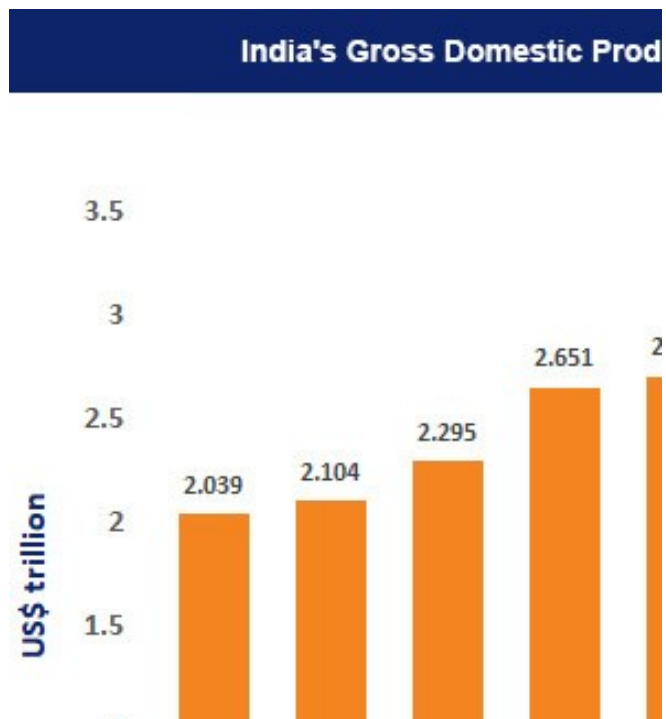
The Indian economy has fully recovered to the pre-pandemic real GDP level of 2019-20, according to the provisional estimates of GDP released on May 31, 2022. Real GDP growth in FY 2021-22 stands at 8.7%, which is 1.5% higher than the real GDP in FY 2019-20. These figures are associated with stronger growth momentum, indicating increased economic demand. The investment rate in the fourth quarter increased to its highest level in the previous nine quarters. Moreover, capacity utilisation in the manufacturing sector rose in the fourth quarter, as against the third quarter, implying a build-up in demand, which is consistent with the growth objectives of the Indian economy.

Future capital spending of the government in the Indian economy is expected to be supported by factors such as tax buoyancy, streamlined tax system, thorough assessment and rationalisation of the tariff structure and digitisation of tax filing. In the medium term, an increase in capital spending on infrastructure and asset-building projects is set to increase growth multipliers. Furthermore, revival in monsoon and Kharif sowing helped the agriculture sector gain momentum. As of July 11, 2022, the South-West monsoon has covered the entire country, resulting in 7% higher rainfall than the normal level.

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

### Market size

- India's nominal GDP at current prices was estimated at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy, and is planning to achieve 40% of its energy from non-fossil sources by 2030.
- According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between this period. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 1.2% of GDP in 2021-22.
- Exports fared remarkably well during the pandemic and aided recovery when all other growth engines lost steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030.



### Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing 70% to the country's economic activity. With the economic scenario improving on recovering from the COVID-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also launching growth-oriented policies to boost the economy. In view of this, the country witnessed many developments in the recent past, some of which are mentioned below.

Recent economic developments in India are as follows:

- As of July 15, 2022, India's foreign exchange reserves reached US\$ 572.71 billion.
- Private equity-venture capital (PE-VC) sector investments stood at US\$ 34.1 billion, up 28% YoY, across 711 deals through January-June 2022.
- India's merchandise exports stood at US\$ 676.2 billion in FY22. In June 2022, India's merchandise exports stood at US\$ 37.9 billion, recording the highest ever exports in June 2022.
- PMI Services was at 58.9 in May 2022 compared to 57.9 in April 2022.
- In June 2022, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 1.44 trillion (US\$ 18.1 billion).
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US\$ 588.53 billion between April 2000-March 2022.
- In May 2022, the Index of Industrial Production (IIP) stood at 137.7 driven by mining, manufacturing and electricity sectors.
- Consumer Price Index (CPI) inflation stood at 7.01% in June 2022 compared to 7.04% in May 2022.
- In July 2022 (until 21 July 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 228,862 crore (US\$ 28.65 billion)
- Wheat procurement in Rabi 2021-22 and anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of Rs. 2.37 lakh crore (US\$ 31.74 billion) to their accounts.

### **Government Initiatives**

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

- In July 2022, the Union Cabinet chaired by the Prime Minister, Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India and Maldives. This MoU will provide a platform to tap the benefits of IT for court digitisation, and can be a potential growth area for IT companies and start-ups in both the countries.
- India and Namibia entered into an MoU on wildlife conservation and sustainable biodiversity utilisation on July 20, 2022, for establishing the cheetah's habitat in the historical forest range in India.



- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly-developed artificial intelligence (AI) products and technologies during the first-ever “AI in Defence” (AIDef) symposium and exhibition, organised by the Ministry of Defence in New Delhi on July 11, 2022.
- In June 2022:
  - Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow.
  - The projects encompass diverse sectors such as Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace and Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked an MoU with Lysterra, LLC, a Russia-based company, for the commercialisation of biocapsule, an encapsulation technology for bio-fertilisation on June 30, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners, including major trade agreements such as the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 lakh crore (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US\$ 334.60 million).

- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 lakh crore (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide -Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.

- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23; it is expected to raise Rs. 4 lakh crore (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

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

#### **Outlook on the Animal Feed Global Market to 2026 - by Type, Livestock, Raw Material and Geography**

The animal feed market is projected to grow at a CAGR of 4.90% to reach US\$460.322 billion by 2026, from US\$345.434 billion in 2020.

Animal feeds are referred to as those products which are responsible for improving animals' health. The feed is given in various doses depending on the animal. Rapid urbanization and growing consumption of meat and other end products such as milk and eggs across different regions are driving the animal feed market growth opportunities during the forecast period. The feed helps in enhancing the animal's abilities by providing enriched nutrients along with the feedstuff, accelerating growth and weight gain and developing immunity. Outbursts of diseases in animals is a major factor contributing to the increasing adoption of animal feed as it enhances the health of the animals and in proper regulation of the food chain.

High growth in the animal feed market is aided by the growth strategies of major players in the form of expansions and investments, which also helps in enhancing the product portfolio and reaching out to new target markets. Furthermore, the growing livestock population along with the shift from unorganized livestock farming to the organized sector is further expected to propel the market growth opportunities in the coming years. However, the high price volatility of raw materials is expected to hinder the growth of the market during the forecast period. Also, a growing shift towards the adoption of a vegan-based diet is expected to impede the growth of the animal feed market in the forecast period and in the upcoming years.

The outbreak of the novel coronavirus disease is anticipated to have a moderate negative impact on the market growth particularly during the year 2020 which is majorly attributed to the disruption in the supply chain activities due to trade restrictions globally. Moreover, a significant decrease in the meat consumption owing to growing health concerns amid the pandemic coupled with the closure of malls, restaurants, and others caused a slump in the food services sector in many parts of the world also played a major role in impacting the market during the short run. However, strong market recovery is anticipated in the coming

years with restrictions being eased off in many countries and the opening of malls, hotels, and restaurants is further pushing the demand for meat.

The increasing global food demand along with the growing global population is one of the major factors driving the growth of the global animal feed market in the forecast period.

According to the United Nations prediction, the global demand for food is expected to grow by over 50% by the end of 2050. To achieve this, animal food production is expected to be approximately three times (for dairy and fish) and almost double (for poultry, swine, and beef) in comparison to the current production rate. The global meat production is expected to grow around 70%, aquaculture is expected to increase by approximately 90%, and dairy production is expected to rise by around 55%. This is because of the fact that animal farming and consumption of animal protein are essential for maintaining the nutritional well-being of individuals at the global level. Hence, the market is expected to grow at a significantly sustainable rate in the forecast period. As per FAO estimates, it has been estimated that the production of animal protein is projected to increase by 1.7% (approximately) every year during the period 2010 to 2050. In 2018, the commercial feed manufacturing generated an annual turnover of more than USD400 billion (source: International Feed Industry Federation).

The animal feed market in the Asia Pacific region is accounted to hold a significant market share owing to a large consumer base especially in the emerging economies of China and India. The expanding middle-class population with an increasing family income is contributing to the market growth in the forecast period. The consumers have greater spending ability for the fulfillment of their nutritional needs apart from regular diet obtained from cereals. Also, with the growing per capita disposable income, the market for animal feed is expected to surge coupled with the growing health awareness regarding the consumption of animal protein. Furthermore, animal feed plays a crucial role in the food industry, hence, with the growing food industry in the APAC region, the market for animal feed will also grow. This is due to the fact that animal feed is essential for the availability of safe, and abundant animal proteins in order to satiate a huge population base. Moreover, the North American region is projected to witness a substantial growth on account of growing poultry and beef production in the country, supported by a growing focus on increasing the nutrient content for the health of animals.

### Competitive Insights

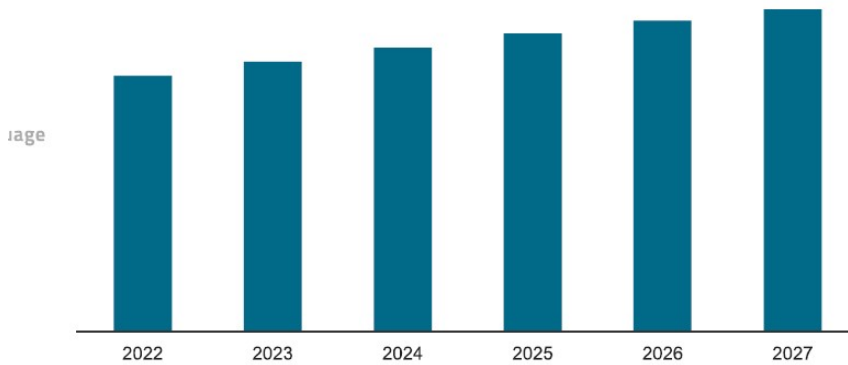
The players in the animal feed market are implementing various growth strategies to gain a competitive advantage over their competitors in this market. Major market players in the market have been covered along with their relative competitive strategies and the report also mentions recent deals and investments of different market players over the last few years. The company profiles section details the business overview, financial performance (public companies) for the past few years, key products and services being offered along with the recent deals and investments of these important players in the animal feed market.

(Source: <https://www.globenewswire.com/fr/news-release/2021/02/04/2169661/28124/en/Outlook-on-the-Animal-Feed-Global-Market-to-2026-by-Type-Livestock-Raw-Material-and-Geography.html>)

## OVERVIEW OF FEED INDUSTRY

The Indian animal feed market reached a value of INR 873.7 Billion in 2021. Looking forward, IMARC Group expects the market to reach INR 1493.8 Billion by 2027, exhibiting at a CAGR of 9.6% during 2022-2027. Keeping in mind the uncertainties of COVID-19, we are continuously tracking and evaluating the direct as well as the indirect influence of the pandemic. These insights are included in the report as a major market contributor.

### Indian Animal Feed Market Size, 2022-2027 (in INR Billion)



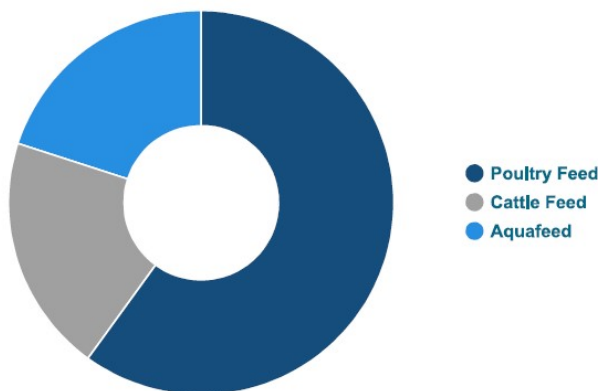
India currently represents one of the largest feed producers in the world. Animal feed includes various raw, processed and semi-processed products that are fed to livestock. Some of the most common feeds include pasture grasses, cereal grains, hay and silage crops, and other by-products of food crops, such as brewers' grains, pineapple bran and sugar beet pulp. These products are carefully formulated with the help of nutritional additives, like vitamins and minerals, to maintain the overall health of animals and improve the quality of various end-products, including eggs, meat and milk. In this country, there has been a rise in public concern regarding the safety of animal-origin food products due to the prevalence of food-borne bacterial infections, bovine spongiform encephalopathy (BSE) and dioxin contamination. These concerns have prompted regulatory organizations to inspect and improve feeding practices in the country.

### Market Trends:

Recently, it was noted that raw materials used in the production of animal feed, like soybean meal, sorghum and maize, are being diverted for the consumption of humans, leading to a shortage in the feed industry. Furthermore, the expensive nature, and price and supply volatility of these raw materials is encouraging industry players to switch to sustainable and lower-cost ingredients for livestock production. Some of these novel ingredients include insect meal and Distiller's dried grain with solubles (DDGS). Besides this, currently has a separate set of livestock policies that focus on increasing the overall productivity. Some of the schemes that are acting in favor of the animal feed market include E-Pashu Haat, Livestock Insurance Scheme, Rashtriya Gokul Mission, and National Livestock Mission.

### Breakup by Product Type:

Indian Animal Feed Market Share, By Product Type (in INR Billion)



(Source: <https://www.imarcgroup.com/indian-animal-feed-market>)

## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward- looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.*

*In this section, a reference to the “Company” or “we”, “us” or “our” means Ajooni Biotech Limited.*

Our Company was originally incorporated at Chandigarh as “Ajooni Biotech Private Limited” on 17<sup>th</sup> February, 2010 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. Consequent upon the conversion of our Company to public limited company, the name of our Company was changed to “Ajooni Biotech Limited” and fresh certificate of incorporation dated 27<sup>th</sup> September, 2017 was issued by the Registrar of Companies, Chandigarh, Punjab.

Our Company got listed on January 02, 2018 on Emerge platform of National Stock Exchange of India Limited.

In the year 2010, Mr. Gurmeet Singh father of Mr. Jasjot Singh along with others put the first brick of foundation of our Company in the name of M/s Ajooni Biotech Private Limited. He began with himself sourcing of raw material and manufacturing of cattle feeds & Feed suppliments and selling them. Lateron, Mr. Jasjot Singh joined the business to increase the spectrum and volume of operations.

We are engaged in manufacturing, producing, processing and supplying of Cattle feed, Nutrients related to cattle feed and manufacturing & production of Animal health care suppliments. We are registered with Department of Industries, Govt. of Punjab as Small Scale Industry (SSI) and also registered with Department of Dairy Development, Govt of Punjab.

Our Company is a research and development focused animal healthcare solution company dedicated to improve the productivity of dairy farmers of sustainability increase milk yield. India’s 1<sup>st</sup> ZED certified cattle feed with ISO 9000:2015 and also registered with Bureau of Indian Standards (BIS) and manufacturing ISI Mark Animal Feed. Our Company is using most modern technologies for all its operations such as ERP, PLC system to control production of most effective logistic systems.

We have entered into an exclusive agreement with IFFCO KISAN for supply of calcium on PAN India Basis in addition to Balinee Milk Producer Company Limited, Harit Pradesh Milk Producer Company Limited, Paras Enterprises and Saahaj Milk Producer Company Limited for manufacturing of Cattle feed and Distribution of Cattle feed and feed suppliments in the states of Punjab, Himachal Pradesh, Jammu & Kashmir, Haryana, Rajasthan and western Uttar Pradesh.

Our brand is considered the trust worthy brands among our customers. It is driven to combine innovation of compassion to create value driven products for all stakeholders. It focuses to leverage capabilities to develop cost effective solutions to improve animal health and productivity.

Our products come in variety of packaging to cater to all type of customers and their needs.

We manufacture cattle feed & supplement under own brand name of “AJOONI”. For Marketing of our own brand in the Market we have a strong professional team which covers the area of Punjab, Haryana, Uttar



Pradesh, Rajasthan and Jammu and Kashmir. Our product is well accepted in the market. We are having a strong Dealer & Distribution Network across these states. We are planning to expand our marketing network across the country. Our Factory is established at Gaib Di Pulli, Village Bullepur, Tehsil Khanna, Distt. Ludhiana measuring 13 kanal 2 Marla i.e. land measuring 6K-15M out of land measuring 13K-2M comprised in Khewat No. 145 Khatuni No. 160 Killa No. 16//22, 17//25/1, 28//5/1, 29//1/1 and land measuring 6K-7M out of land measuring 8K-0M comprised in Khewat No. 143 khatauni No. 158 Kila No. 16//21 and built up area comprising 25000 Sq. ft working shed/ Godown and office under RCC Shed 4000 SFT area and our Godown is situated at Near Gaib Di Pully, G.T. Road Khanna, Tehsil-Khanna, District- Ludhiana-141401, Punjab measuring 12000 Sq. Ft. The company has purchases new land for expansion. Total land area is 31500 sq feet adjoining to its existing manufacturing plant.

We have a dedicated in-house Testing and Quality Control Team which undertakes rigorous testing and quality management. We have dedicated semi-automatic and manual testing machines. Our Testing and QC team coupled with our testing equipments ensure the quality of raw material dispensed in the production process and also the finished goods delivered to our customers. This helps in improving our procurement process thus reducing wastages, returns and other related costs.

### Our Vision

To be a vibrant livestock industry in the country with livestock keepers reaping full benefits from their livestock. We are open to new innovations, new products, new locations and new people.

### Mission

Our Mission is to be the foremost nutritional products provider, so we contribute to improve animal health status through strategic nutritional solutions.

Details of Total Revenue and Profit after Tax for the last years are us under:

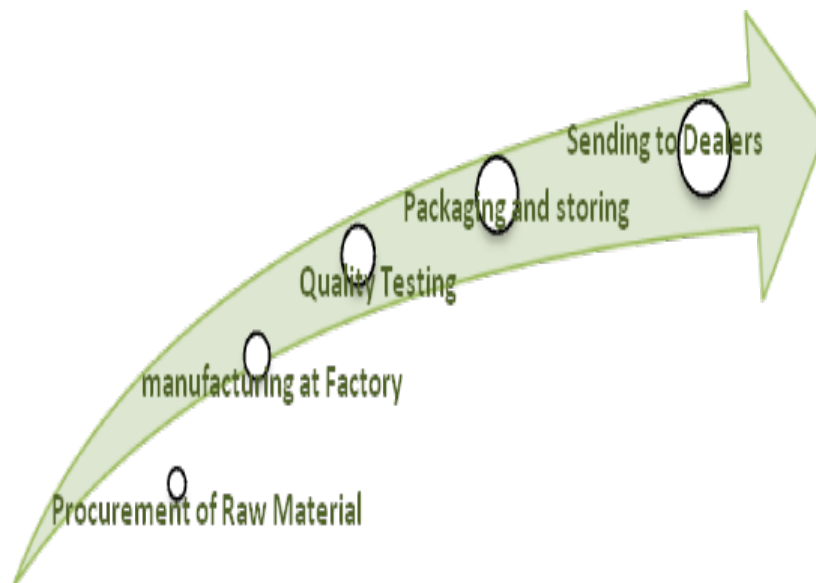
Financial year	Revenue from operations (Amt in Lacs)	Other Income (Amt in Lacs)	Total Expenses (Amt in Lacs)	Profit after Tax (Amt in lacs)
2019-20	4003.26	5.99	3961.18	34.68
2020-21	5103.89	1.72	5055.19	37.31
2021-22	7403.78	3.82	7261.47	104.88
For the Six months ended 30 <sup>th</sup> September, 2022 (Unaudited)	2260.21	1.12	2261.33	47.74

### OUR KEY UNIQUE BUSINESS STRENGTHS ARE:

- 1) Experienced Promoters and a well trained employee base** - Our promoters are experienced in our line of business. Our management and employee team combines expertise and experience to outline plans for the future development of the company. Our Company started its operations in the year 2013-14 and since then we have witnessed consistent and stable growth. Our Promoters have significant industry experience and has been instrumental in the consistent growth of our company. We believe that the knowledge and experience of our promoter and management will enables us to identify new opportunities, rapidly respond to market conditions, adapt to changes in the business landscape and competitive environment and enhances the growth in the business.

- 2) **Established relations with job work service providers and suppliers** -Our Company is engaged in the business of manufacturing of cattle feeds and feed supplements. Our company has developed established relations with the job workers for providing uninterrupted services. We believe that by establishing such relations our company can ensure a steady and uninterrupted supply of our products to our customers. We believe that our strong relationships with suppliers will enable us to continue to grow our business. Due to our relationships with our suppliers, we get quality and timely supplies of materials. This enables us to manage our inventories and supply quality products on timely basis to our customers. This in turn has enabled us to generate repeat business.
- 3) **Strong financial position** - We believe that our strong financial position and capital structure will provide us with the financial flexibility to fund our growth and expansion and allow us to respond quickly and competitively to further capitalise on emerging opportunities in the market.
- 4) **Improving functional efficiency** - Our Company intends to improve operating efficiency to achieve cost reductions to have a competitive edge over the peers. We believe that this can be done through continuous process improvement, customer services and technology development.
- 5) **Developing the new product line:** we focus on research and development to distinguish ourselves from our competitors to enable us to introduce new products based on consumer preferences and demand. Our Company has wide product basket and strive to and new products that are required or essential or which are trending in the market or those products which are manufactured by our competitors or those that may be recommended by our research and development team.

**OUR BUSINESS PROCESS CAN BE SUMMARIZED AS UNDER:-**







Ajooni biotech

Ajooni Biotech Limited

## PRODUCT PORTFOLIO

HIGH ENERGY BALANCED CATTLE FEED	FEED SUPPLEMENTS
Calf Starter	Oral Calcium
Heifer	Liver Tonic
Dairy Calf Grower	Mineral Mixture
Low Yield Cattle	Uterine Tonic
Basic Milking Cattle	Digestive Powder
High Yield Cattle	Multi Vitamins

## FEED SUPPLEMENTS



## CATTLE FEED



## OUR MANAGEMENT

### Board of Directors

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

The Articles of Association provide that our Company shall not have less than three Directors and not more than 15 Directors.

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

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

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
<b>1. Mr. Jasjot Singh</b> S/o Mr. Gurmeet Singh House No. 1768, Phase-3B2, Mohali, Punjab, 160055 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> Five years from 1 <sup>st</sup> April, 2020 <b>DIN:</b> 01937631 <b>PAN:</b> BDEPS5766D	37 years	Managing Director	1. Punjab Biotechnology Park Limited
<b>2. Mr. Partek Singh</b> S/O Mr. Raja Ravinder Singh House No 1, Ved Beant Niwas, New Moti Bhag Colony, Patiala, Punjab, 147001 <b>Occupation:</b> Business <b>Nationality:</b> Indian <b>Tenure:</b> retire by rotation <b>DIN:</b> 07864006 <b>PAN:</b> FIDPS8690L	32 years	Executive and Non Independent Director	Nil
<b>3. Mr. Gursimran Singh</b> S/o Mr. Tejwant Singh 201, Aquila, The Taj Towers, Sector 104, Mohali, Punjab <b>Occupation:</b> Service <b>Nationality:</b> Indian <b>Tenure:</b> Retire by Rotation <b>DIN:</b> 02209675 <b>PAN:</b> CAYPS2870L	34 years	Whole Time Director	1. Healthy Biosciences Private Limited
<b>4. Mr. Imtishwar Singh Bhatia</b> S/o Mr. Taranjit Singh Bhatia Ved Basant Niwas, House No 1, Near	34 years	Non Executive	Nil

Name, Father's name, Address, Occupation, Nationality, tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
Gurudawara Moti Bhag Sahib, Near Moti Bhag Co, Patiala, Punjab, 147001 <b>Occupation:</b> Professional <b>Nationality:</b> Indian <b>Tenure:</b> Five years from 25 <sup>th</sup> August, 2022 <b>DIN:</b> 07864007 <b>PAN:</b> ARNPB8379D		and Independent Director	
<b>5. Ms. Simmi Chhabra</b> D/o Mr. Shakti Kumar Chhabra B-V-179, Inside Cotton Mill, Railway Road, Malerkotla, Sangrur, Malerkotla, Punjab, 148023. <b>Occupation:</b> Professional <b>Nationality:</b> Indian <b>Tenure:</b> Five years from 25 <sup>th</sup> August, 2022 <b>DIN:</b> 07870398 <b>PAN:</b> AMUPC4037B	34 years	Non Executive and Independent Director	1. Prism Medico & Pharmacy Limited 2. Healthy Bioscience Private Limited
<b>6. Mr. Ramandeep Singh</b> S/o Mr. Ranbir Singh 4629, Darshan Vihar, Sector 68, Mohali, Mohali, Punjab -160062. <b>Occupation:</b> Professional <b>Nationality:</b> Indian <b>Tenure:</b> Five years from 25 <sup>th</sup> August, 2022 <b>DIN:</b> 07896086 <b>PAN:</b> CLIPS8734C	35 years	Non Executive and Independent Director	1. Prism Medico & Pharmacy Limited

#### Relationship between Directors

None of the Directors are related to each other as per the provisions of the Companies Act, 2013.

#### Brief Profiles of Directors

**Mr. Jasjot Singh:** aged 37 years, is Promoter and Managing Director of our Company. He holds the masters degree in Business Administration in Finance Sector from Oxford University, UK. He is having more than 12 years of Experience in the field of agro farming, Animal Health Care and Faucets Unit industry, Sales & Marketing and Client Retention. He looks after day-to-day routine operational activities of our Company and formulation of business policies, strategies etc. He guides company in its growth strategies. He has been on the board of Company since August, 2017.

**Mr. Partek Singh:** aged 32 years, is Executive and Non Independent Director of our Company. He is Graduate in Commerce from Punjab University. He is having more than 11 years of Experience in Project Management etc. He looks after day-to-day routine operational activities of our Company. He has been on the board of Company since June, 2017.

**Mr. Gursimran Singh:** aged 34 years, is Whole Time Director of our Company. He is Master in Business Administration. He is having more than 10 years of Experience as a marketing expert and having knowledge

in the field of Animal Husbandry, cultivation of crops and supplements required for livestock. He has been on the board of Company since August, 2020.

**Mr. Imteshwar Singh Bhatia:** aged 34 years, is an Independent Director of our Company. He holds Bachelors of Commerce. He has more than 12 year experience in the field of organisation across strategy, finance, corporate development, sales, consumer research and marketing, culminating in general management and leadership roles. He has been on the board of Company since, August 2017.

**Ms. Simmi Chhabra:** aged 34 years is an Independent Director of our Company. She holds Bachelors of Technology. She has more than 14 year experience in the field of administration. She has been on the board of Company since, August 2017.

**Mr. Ramandeep Singh:** aged 35 years, is an Independent Director of our Company. He holds Bachelors of Arts. He has more than 9 year experience in the field of organisation across strategy, finance, corporate development, sales, consumer research and marketing, culminating in general management and leadership roles. He has been on the board of Company since, August 2017.

#### **Details of any arrangement or understanding with major shareholders, customers, suppliers or others**

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

#### **Other Confirmations:**

1. None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of the Letter of offer, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in any such company.
2. 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.

### **CORPORATE GOVERNANCE**

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

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

Currently, our Board has Six (6) Directors. We have Three (3) Executive Non-Independent Director, and Non Independent Director and Three (3) Independent Non Executive Directors.

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

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

## AUDIT COMMITTEE

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

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

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Ms. Simmi Chhabra	Chairperson	Independent Director
2.	Mr. Ramandeep Singh	Member	Independent Director
3.	Mr. Imtешwar Singh	Member	Independent Director

### Role of Audit Committee

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

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
6. 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.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. 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.
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements

- f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
9. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
  10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
  12. 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.
  13. Discussion with internal auditors any significant findings and follow up there on.
  14. 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.
  15. 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.
  16. 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.
  17. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
  18. 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.
  19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  20. Mandatorily reviews 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
  21. Review the Financial Statements of its subsidiary company, if any.
  22. Review the composition of the Board of Directors of its Subsidiary Company, if any.
  23. Review the Vigil mechanism (whistle blowing) policy.
  24. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

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



## STAKEHOLDERS RELATIONSHIP COMMITTEE

Our Company has constituted a Stakeholders Relationship Committee ("**Stakeholders relationship committee**") to redress the complaints of the shareholders. The committee currently comprises of three (3) Directors. Ms. Simmi Chhabra is the Chairperson of the Stakeholders relationship Committee.

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Ms. Simmi Chhabra	Chairperson	Independent Director
2.	Mr. Ramandeep Singh	Member	Independent Director
3.	Mr. Imtешwar Singh	Member	Independent Director

### Role of stakeholder Relationship committee

The Stakeholder Relationship Committee of our Board look into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

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

## NOMINATION AND REMUNERATION COMMITTEE

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

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Ms. Simmi Chhabra	Chairperson	Independent Director
2.	Mr. Ramandeep Singh	Member	Independent Director
3.	Mr. Imtешwar Singh	Member	Independent Director

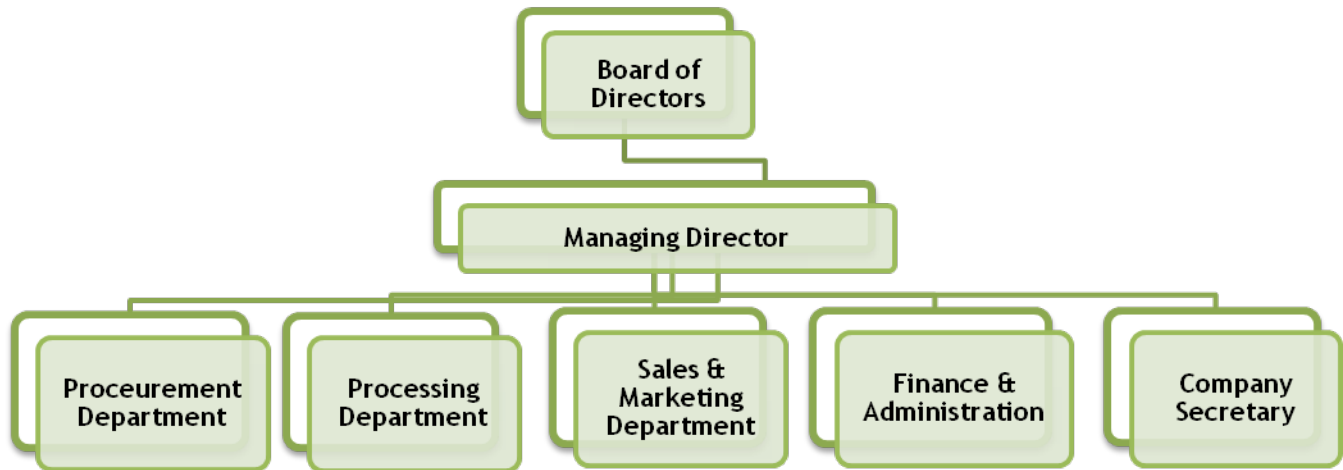
The Company Secretary of our Company shall act as the Secretary to the Nomination and Remuneration Committee.

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

- The Nomination and Remuneration committee recommends to the board the compensation terms of the executive Directors.
- The committee to carry out evolution of every director's performance and recommend to the board his/her appointment and removal based on the performance.
- The committee to identify persons who may be appointed in senior management in accordance with the criteria laid down.
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment.
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.

- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of the Company and the shareholders.

## ORGANISATION STRUCTURE



### Our Key Management Personnel and Senior Management Personnel

Name	Date of Original Joining	Designation	Functional Responsibilities	Qualification
Mr. Jasjot Singh	4 <sup>th</sup> September, 2017	Managing Director and Chief Financial Officer	Overall Management	MBA
Mr. Partek Singh	30 <sup>th</sup> June, 2017	Executive Director	Business Operations and Administration	BCOM
Mr. Gursimran Singh	13 <sup>th</sup> August, 2020	Whole Time Director	Business Operations and Administration	MBA
Mrs. Swati Vijan	12 <sup>th</sup> February, 2020	Company Secretary & Compliance Officer	Drafting of agreements, drafting of resolutions, preparation of minutes & compliance of the provisions of the Companies Act, 2013.	CS

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

There is no relationship between Key managerial personnel with Our Directors, Promoters and/ or Other Key Managerial personnel except that Mr. Partek Singh is Brother in law of Mr. Jasjot Singh.



**SECTION VI - FINANCIAL INFORMATION**

**FINANCIAL STATEMENTS**

<b>Particulars</b>	<b>Page No.</b>
Audited Standalone Financial Statements for the financial year ended March 31, 2022	F1
Limited Review Standalone Financial Results for the Six (6) months ended September 30, 2022	F26

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

There are no material changes and commitments, which are likely to affect our financial position since March 31, 2022 till date of this Letter of Offer. We have approved and filed the limited review financial results for the Half year ended September 30, 2022 with the Stock Exchange.

We have not given Restated Financials because we fall under Part-B of SEBI (ICDR), 2018.

*[The rest of this page has been intentionally left blank]*



**Harjeet Parvesh & Company**

**CHARTERED ACCOUNTANTS**

(A PEER REVIEWED FIRM)

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### **Independent Auditor's Report**

**To**

The Members of M/s Ajooni Biotech Limited

#### **Opinion**

We have audited the accompanying standalone financial statements of M/s Ajooni Biotech Limited which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (statement of changes in equity), Cash Flow Statement for the year then ended, notes to the financial statements and a summary of significant accounting policies and other explanatory information. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid (Standalone) financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its Profit, (changes in equity) for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key Audit matters are those matters that, in our professional judgment , were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance ,(changes in equity)and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the audit of the Standalone Financial Statements**

Our responsibility is to express an opinion on these (Standalone) financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account
  - d) In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Date: 09/05/2022  
Place: MOHALI

For Harjeet Parvesh & Co.  
Chartered Accountants  
Firm No: 017437N  
  
CA. Sonica Madan (PARTNER)  
M. No. 847759  
UDIN: 22547759MPSJJ4155

## Annexure A\* to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2022:

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets:

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company.

(d) The company has not revalued its Property, Plant and Equipment during the year.

(e) No proceedings have been initiated against the company for holding any Benami Property under the Benami Transactions (Prohibition) Act 1988 and rules made there under.

2) (a) The Management has conducted Physical verification of inventory at reasonable intervals and according to our opinion is reasonable having regard to the size of the company and nature of its business. There were No Discrepancies noticed on physical verification of the inventory.

(b) The quarterly returns or statements filed by company with banks or financial institutions are in agreement with the books of accounts.

3) a) The Company has not granted any loans or provided any advances in nature of Loans , secured or unsecured to Companies , firms , Limited Liability Partnerships or any other party.

The company has only provided advance for purchase of land which is not considered as nature of Loan as per nature of agreement and management representations.

However the company had opening balances of advances provided to following parties:

M/s Diamond Global Links : Rs 36,00,000.00

M/s Diamond Copy House :Rs 21,00,000.00

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5) The Company has not accepted deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Duty of Excise, Goods and Service Tax, Cess and any other statutory dues with the appropriate authorities except for Labor Welfare fund amounting to Rs 13030/- due to deposited. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2022 for a period of more than six months from the date on when they become payable.

The provisions of gratuity are applicable to the company but no such provision has been provided for, hence amount is unascertainable.

b) According to the information and explanation given to us, there are no dues of income tax, GST, duty of customs, duty of excise value added tax outstanding on account of any dispute.

8) According to the information and explanation given to us, there are no transactions which have been surrendered or disclosed as income during the year in tax assessment under Income tax Act, 1961.

9) a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.

b) In our opinion and according to the information and explanations given to us, the company is not declared as wilful defaulter by any bank or financial institution or other lender.

c) In our opinion and according to the information and explanations given to us Long term Loans were applied for the purpose they were obtained.



d) In our opinion and according to the information and explanations given to us funds raised on Short term basis were applied for the purpose they were obtained.

e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) The company has raised the following Loan on pledge of security from M/s Khanna Solvex , partnership firm in which Mr Jasjot Singh Managing Director/CFO of the company , being a Partner  
LOAN OBTAINED : HDFC Bank CC OF 6.70 Cr

Additional EMT OF industrial Property in Khanna, MV 500 LACS held in name of  
M/s Khanna Solvex.

10) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised any moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause (x) of the Order are not applicable to the Company and hence not commented upon.

11) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) In our opinion, the company has an internal audit system to commensurate with the size and nature of its business.

b) The reports of Internal Auditor dated 05.05.2022 were considered while forming an opinion on financial statements.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause (xiv) of the Order are not applicable to the Company and hence not commented upon.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause (xvi) of the Order are not applicable to the Company and hence not commented upon.

17) In our opinion, the company has not incurred any cash losses in the financial year and in any preceding financial year.

18) There is no resignation of the statutory auditor during the year, accordingly, the provisions of clause (Xviii) of the Order are not applicable to the Company and hence not commented upon.

19) In our opinion, on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of Board of directors and management's plans no material uncertainty exists as on date of audit report that company is not capable of meeting its liabilities at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

20) In our opinion, the Provisions of Section 135(5) Of the Companies Act are not applicable to the company, the provisions of clause (xx) of the Order are not applicable to the Company and hence not commented upon.

21) In our opinion the financial statements are stand alone statement and consolidation is not required, the provisions of clause (xxi) of the Order are not applicable to the Company and hence not commented upon.

DATE: 09/05/2022

Place: MOHALI





**Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of M/s Ajooni Biotech Limited**

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

We have audited the internal financial controls over financial reporting of M/s Ajooni Biotech Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

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

whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022.

Date: 09/05/2022  
Place: MOHALI

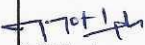


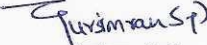
**AJOONI BIOTECH LIMITED**  
**BALANCE SHEET**  
**FOR THE YEAR ENDED ON 31ST MARCH, 2022**

PARTICULARS	NOTES	31ST MARCH 2022	31ST MARCH 2021	1ST APRIL 2020
<b>I. ASSETS</b>				
(1) <b>Non - Current Assets</b>				
a) Property, Plant and Equipment	1	6,20,52,358	5,16,17,081	2,07,15,278
b) Financial Assets				
(1) Investments	2	70,38,909	1,14,82,856	3,07,86,506
c) Deferred Tax Asset		18,18,383	14,65,029	12,73,605
d) Other Non Current Assets	3	-	14,07,030	28,14,060
(2) <b>Current Assets</b>				
a) Inventories	4	5,88,17,040	5,37,62,090	3,28,56,814
b) Financial Assets				
(1) Cash & Cash Equivalent	5	5,73,855	24,40,976	12,38,879
(2) Short Term Loans and advances	6	2,14,71,815	1,98,82,931	1,24,66,892
(3) Trade Receivables	7	13,84,02,877	13,71,17,389	12,64,18,512
c) Other Current Asset	8	-	10,87,547	21,04,378
<b>TOTAL Rs.</b>		<b>29,01,75,237</b>	<b>28,02,62,930</b>	<b>23,06,74,924</b>
<b>II EQUITY AND LIABILITIES</b>				
(1) <b>Equity</b>				
a) Equity Share Capital	9	10,00,55,820	10,00,55,820	8,40,50,240
b) Other Equity	10	6,37,67,836	5,64,51,410	7,48,59,992
(2) <b>Non-Current Liabilities</b>				
a) Financial Liabilities				
(1) Borrowings	11	2,57,63,844	1,89,79,313	1,33,07,393
(3) <b>Current Liabilities</b>				
a) Financial Liabilities				
(1) Borrowings	12	2,77,40,793	4,88,57,260	3,69,45,933
(2) Trade Payables	13	6,79,91,141	5,40,03,957	1,93,28,252
b) Other Current Liabilities	14	3,79,543	4,11,890	4,99,582
c) Current tax liabilities (Net)	15	44,76,260	15,03,280	16,83,532
<b>TOTAL Rs.</b>		<b>29,01,75,237</b>	<b>28,02,62,930</b>	<b>23,06,74,924</b>

NOTES ON ACCOUNTS  
NOTE '1' TO '15' AND NOTE '25'  
FORM INTEGRAL PART OF THE BALANCE-SHEET

FOR AND ON BEHALF OF THE BOARD

  
 Jasjot Singh  
 MANAGING DIRECTOR/CFO

  
 Gursimran Singh  
 DIRECTOR

  
 Swati Vijan  
 CS

DATE : 09/05/2022  
PLACE : MOHALI

  
**AUDITOR'S REPORT**  
 As per our report of even date  
 For HARJEET PARVESH & Co  
 CHARTERED ACCOUNTANTS  
 CA Konica Madan  
 M.No 547759



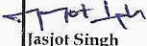
**AJOONI BIOTECH LIMITED**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED ON 31ST MARCH, 2022**

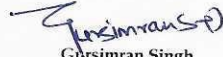
PARTICULARS		31ST MARCH 2022	31ST MARCH 2021
<b>INCOMES :</b>			
Revenue from Operations	16	74,03,77,673	51,03,88,901
Other Income	17	3,81,292	1,72,109
<b>TOTAL Incomes Rs.</b>		<b>74,07,58,965</b>	<b>51,05,61,010</b>
<b>EXPENSES :</b>			
Cost of Material Consumed	18	63,91,49,425	43,35,59,989
Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	19	9,84,549	-34,32,815
Employee Benefit Expenses	20	1,48,14,961	1,14,78,437
Finance Cost	21	54,00,692	58,40,690
Depreciation Expense	22	1,11,07,074	57,75,160
Other Expenses			
Operating Expenses	23	1,47,39,506	1,27,00,527
Administrative Expenses	24	3,99,51,623	3,95,96,648
<b>TOTAL Expenses Rs.</b>		<b>72,61,47,830</b>	<b>50,55,18,636</b>
<b>NET PROFIT BEFORE INCOME-TAX &amp; EXCEPTIONAL ITEMS</b>		<b>1,46,11,135</b>	<b>50,42,373</b>
<b>TAX EXPENSE</b>			
- (a) Current Tax		44,76,260	15,03,280
- (b) Deferred Tax	25	3,53,354	1,91,424
<b>PROFIT FOR THE PERIOD</b>		<b>1,04,88,229</b>	<b>37,30,517</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that will not be classified to Profit and loss:</i>			
Changes in Fair value of FVOCI Equity Instruments	2	-37,36,093	-1,61,29,155
Profit/ Loss on sale of shares		5,64,290	-20,04,365
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>-31,71,803</b>	<b>-1,81,33,520</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>73,16,426</b>	<b>-1,44,03,003</b>
<b>EARNINGS PER SHARE</b>	25	<b>1.05</b>	<b>0.37</b>

**NOTES ON ACCOUNTS**

NOTE '16' TO '24' AND NOTE '25'  
FORM INTEGRAL PART OF THE ACCOUNT

FOR AND ON BEHALF OF THE BOARD

  
Jasjot Singh  
MANAGING DIRECTOR/CFO

  
Gursimran Singh  
DIRECTOR

  
Swati Vijan  
CS

**AUDITOR'S REPORT**

As per our report of even date  
For HARJEET PARVESH & Co  
CHARTERED ACCOUNTANTS

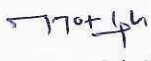


DATE : 09/05/2022  
PLACE : MOHALI

**AJOONI BIOTECH LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED ON 31ST MARCH, 2022**

	CURRENT YEAR 2022	PREVIOUS YEAR 2021
<b>"A" (1) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) Before Tax	1,46,11,134.87	50,42,373.67
Adjustments for:		
Depreciation & Amortization	1,11,07,073.82	43,68,129.61
(Profit)/ loss on sale of Assets/shares	1,14,264	
Interest & Finance Charges	54,00,692	58,40,689.95
Interest Income	-5,548	(2,137.00)
<b>Operating Profit before Working Capital Changes</b>	1,66,16,481.85	1,02,06,682.56
Adjustments for:	3,12,27,616.72	1,52,49,056.23
Decrease/(Increase) in Receivables	(12,85,487.72)	(1,06,98,877.47)
Decrease/(Increase) in Inventories	(50,54,949.47)	-20905276.74
Decrease/(Increase) in Loans and Other Advances	(15,88,883.49)	(74,16,039.07)
Decrease/(Increase) in Other Current Assets	10,87,547.00	10,16,831.00
Increase/(Decrease) in Trade Payables	1,39,87,183.88	3,46,75,705.66
Increase/(Decrease) in Other Current Liabilities	32,347.81	71,77,758.01
<b>Cash generated from operations</b>	3,84,05,374.73	(2,68,779.20)
Tax paid/refund	15,67,980.00	1,16,52,620.41
<b>Net Cash flow from Operating activities</b>	3,68,37,394.73	95,414.65
<b>(2) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Tangible Assets/ Intangible Assets/ Capital Work-In-Progress	(2,12,40,238.00)	(3,52,69,932.00)
Sale of Fixed Asset	9,90,653.00	
(Increase)/Decrease by sale/purchase in Non-Current Investments	12,72,149.05	11,70,130.00
Interest Income	5,548.00	2,137.00
<b>Net Cash used in Investing activities</b>	(1,89,71,887.95)	(3,40,97,665.00)
<b>(3) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share premium	-	60,00,000.00
Proceeds from Issue of Share Capital	-	60,00,000.00
Proceeds from/ (Repayment) of Long term Borrowings	67,84,531.39	56,71,920.00
Increase/(Decrease) in Short Term Borrowings	(2,11,16,466.87)	1,19,11,326.68
Interest and Other Finance Costs paid	(54,00,692.03)	(58,40,689.95)
<b>Net Cash used in financing activities</b>	(1,97,32,627.51)	2,37,42,556.73
<b>"B"</b> Net increase in cash & Cash Equivalents	(18,67,120.73)	12,02,097.49
Add: Cash and Cash equivalents at the Beginning of the Year	24,40,976.31	12,38,879.18
<b>"C"</b> Cash and Cash equivalents at the End of the Year	5,73,855.22	24,40,976.31
<b>Cash &amp; Cash Equivalents at the End of the Year</b>	<b>CURRENT YEAR 2022</b>	<b>PREVIOUS YEAR 2021</b>
Cash in Hand	4,54,145.41	23,08,213.97
Cash at Bank	1,19,709.81	1,32,762.34
<b>Cash &amp; Cash equivalents as stated</b>	5,73,855.22	24,40,976.31
	-0.00	

FOR AND ON BEHALF OF THE BOARD

  
 Jasjot Singh  
 MANAGING DIRECTOR/CFO

  
 Gursimran Singh  
 DIRECTOR

  
 Swati Vujan  
 CS




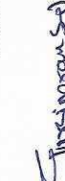
DATE: 09/05/2022  
 PLACE: MOHALI


**AJOONI BIOTECH LIMITED**  
**AS AT 31ST MARCH, 2022**

BLOCK	PARTICULARS	GROSS BLOCK			Salvage Value	DEPRECIATION			NET BLOCK		
		Balance as at 01-04-2021	Additions during the Year	Sales / capitalized During the year		Balance as at 31-03-2022	Upto 01-04-2021	During the Year	Transferred to Retained Earnings	Total as at 31-03-2022	As at 31-03-2022
BLOCK I	Land	1,11,72,255.00			1,11,72,255.00	0.00	0.00		0.00	1,11,72,255.00	1,11,72,255.00
BLOCK II	Building	0.00	1,85,10,835.00		1,85,10,835.00	0.00	16,21,611.72		16,21,611.72	1,68,89,223.28	1,68,89,223.28
BLOCK III	FURNITURE & FIXTURE - Furniture & Fittings	73,134.00	1,76,154.00		2,49,288.00	41,026.48	45,296.39		86,322.87	1,62,965.13	32,107.52
BLOCK IV	MOTOR VEHICLES - Car - Truck	1,17,26,195.99 24,99,120.00	47,39,153.00 0.00	10,09,717.00	1,64,65,348.99 14,89,403.00	85,75,844.72 2,78,742.15	16,44,675.33 2,67,434.98		1,02,20,520.05 5,46,177.13	62,44,828.94 9,43,225.87	31,50,351.27 22,20,377.85
BLOCK V	PLANT & MACHINERY - Plant & Machinery	2,72,13,745.00	1,26,03,163.00	95,200.00	3,97,21,708.00	78,99,423.42	58,13,327.46		1,37,12,750.88	2,60,08,957.12	1,93,14,321.58
BLOCK VI	OFFICE EQUIPMENTS - Office Equipment	1,40,815.00	5,43,649.00		6,84,464.00	34,223			2,77,632.02	4,06,831.98	20,403.97
BLOCK VII	COMPUTERS - Computer & Printers	84,999.00	3,29,325.00		4,14,324.00	39,776.08	1,50,476.95		1,90,253.03	2,24,070.97	45,222.92
BLOCK VIII	BUILDING UNDER CONSTRUCTION WIP	1,56,62,041.00		1,56,62,041.00	0.00	0.00	0.00		0.00	0.00	1,56,62,041.00
	TOTAL (A)	6,85,72,304.99	3,69,02,279.00	1,67,66,958.00	8,87,07,625.99	1,69,55,223.88	97,00,043.82	0.00	2,66,55,267.70	6,20,52,358.29	5,16,17,081.11
	PREVIOUS YEAR	3,33,02,372.99	3,52,69,932.00	0.00	6,85,72,304.99	1,25,87,094.28	43,68,129.61	0.00	1,69,55,223.88	5,16,17,081.11	2,07,15,278.71

FOR & ON BEHALF OF THE BOARD

  
 Jasjot Singh  
 Managing Director/CFO

  
 Gursimran Singh  
 Director

  
 Swati Vujan  
 CS





**AJOONI BIOTECH LIMITED**  
**FOR THE YEAR ENDED ON 31ST MARCH, 2022**  
**NOTE '1' TO '25' ANNEXED TO AND FORMING PART OF THE**  
**BALANCE SHEET AS ON 31ST MARCH, 2022 AND STATEMENT OF PROFIT & LOSS**  
**FOR THE YEAR ENDED ON THAT DAY**

PARTICULARS	31ST MARCH 2022	31ST MARCH 2021
<b>NOTE : 2- NON CURRENT INVESMENTS</b>		
Quoted Shares (valued at Fair value in Current year)	70,38,909	1,14,82,856
<b>TOTAL Rs.</b>	<b>70,38,909</b>	<b>1,14,82,856</b>

PARTICULARS	2,022 AMOUNT (Rs.)	2,021 AMOUNT (Rs.)
<b>EQUITY investments at FVOCI</b>		
<b>Quoted Shares of:</b>		
- M/s Prism Medico And Pharmacy Ltd (M.v as on 31.03.2022 of 923292 Eq.Shares@ Rs.7.62- i.e. Rs. 7035485.04/-)	70,35,485.04	1,08,04,175.05
- M/s New Light Apparels Limited		1,35,000.00
- M/s Rama Steel Tubes Limited		4,06,759.25
- M/s Kuber Udyog Ltd (M.v as on 31.03.2022 of 3200 Eq.Shares @ Rs1.07/- i.e. Rs.3424)	3,424.00	2,272.00
- M/s Rajoo Engineers		1,34,649.50
<b>TOTAL</b>	<b>70,38,909.04</b>	<b>1,14,82,855.80</b>

FOR & ON BEHALF OF THE BOARD

  
 Jasjot Singh  
 Managing Director/CFO

  
 Gursimran Singh  
 Director

  
 Swati Vujan  
 CS



**AJOONI BIOTECH LIMITED**  
**AS AT 31ST MARCH, 2022**

PARTICULARS	31ST MARCH 2022	31ST MARCH 2021
<b>NOTE :3-OTHER NON CURRENT ASSETS</b>		
IPO Expenses unamortized	-	14,07,030
<b>TOTAL Rs.</b>	<b>-</b>	<b>14,07,030</b>
<b>NOTE : 4 - INVENTORIES</b> (As per inventories taken, valued and certified by the management)		
Raw material (incl. Packing material)	5,46,49,353	4,86,09,854
Finished Goods / Traded Goods	41,67,687	51,52,236
<b>TOTAL Rs.</b>	<b>5,88,17,040</b>	<b>5,37,62,090</b>
<b>NOTE :5- CASH &amp; CASH EQUIVALENTS</b>		
Cash-in-Hand	4,54,145	23,08,214
Cash at Bank	1,19,710	1,32,762
<b>TOTAL Rs.</b>	<b>5,73,855</b>	<b>24,40,976</b>
<b>NOTE :6- SHORT TERM LOANS &amp; ADVANCES</b>		
Advance Tax	25,00,000	10,00,000
TCS/TDS Recievable	5,63,392	93,639
Inpu Tax Credit-GST	1,16,324	12,560
Prepaid Insurance	2,73,072	1,48,759
Advances to Suppliers	77,77,142	78,83,689
Staff Advances	3,43,531	4,32,766
Other Advances	87,00,000	87,09,970
Securities	11,79,776	16,01,548
Balance with NSDL	18,578	0
<b>TOTAL Rs.</b>	<b>2,14,71,815</b>	<b>1,98,82,931</b>
<b>NOTE :7 - TRADE RECEIVABLES</b>		
Sundry Debtors	13,84,02,877	13,71,17,389
<b>TOTAL Rs.</b>	<b>13,84,02,877</b>	<b>13,71,17,389</b>


Particulars	Outstanding for following periods from due date of payment/Transaction (IN Rs)						TOTAL
	Less than 6 months	6 months - 1 year	1-2 years	2-3 year	More than 3 years		
(i) Undisputed Trade receivables - considered good.	6,57,31,516.15	1,33,064.00	5,83,49,493.49	67,16,637.00	1,69,113	13,10,99,824	
(ii) Undisputed Trade Receivables - which have significant increase in credit risk							
(iii) Undisputed Trade Receivables - credit impaired							
(iv) Disputed Trade Receivables- considered good			44,24,885.00	1,49,870.00	27,28,299	73,03,054	
(v) Disputed Trade Receivables - which have significant increase in credit risk							
(vi) Disputed Trade Receivables - credit impaired							


<b>NOTE 8 - OTHER CURRENT ASSETS</b>		
Recoverables from Govt. Authorities - Value Added Taxes	-	10,87,547
<b>TOTAL Rs.</b>	<b>-</b>	<b>10,87,547</b>

\* The above have been considered recoverable from govt and written off during the year.

FOR & ON BEHALF OF THE BOARD

  
 Jasjot Singh  
 Managing Director/CFO

  
 Gursimran Singh  
 Director

  
 Swati Vijan  
 CS



**AJOONI BIOTECH LIMITED**  
**AS AT 31ST MARCH, 2022**

PARTICULARS	31ST MARCH 2022	31ST MARCH 2021
<b>NOTE : 9- EQUITY SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
25000000 Equity Shares of Rs 10/- Each	25,00,00,000.00	16,00,00,000
Increase in Authorised Share Capital consists of 9,00,000/-Equity Shares of Rs 10/- each		
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
1005582 Equity Shares of Rs. 10/- each	10,00,55,820.00	
8405024 Equity Shares of Rs. 10/- each (Fully Paid-up)		8,40,50,240
Add : Bonus Issue of shares		1,00,05,580
Add : shares allotted during year		60,00,000
<b>TOTAL Rs.</b>	<b>10,00,55,820</b>	<b>10,00,55,820</b>

600000 Equity shares Rs 10/- each allotted to Mr Jasjot Singh on 10.11.20 at premium of Rs 10 each  
1000558 Equity shares issued as bonus shares in proportion of 1 share for every 9 shares held by existing members

(c) Statement of Changes in Equity


PARTICULARS	As at 31st March,2022		As at 31st March,2021	
	No of Shares	Amount	No of Shares	Amount
Equity Shares at the beginning of the year	1,00,05,582.00	10,00,55,820.00	84,05,024.00	8,40,50,240.00
Add: Equity Shares allotted during the year		-	16,00,558	1,60,05,580.00
Equity Shares at the end of the year	1,00,05,582.00	10,00,55,820.00	1,00,05,582.00	10,00,55,820.00

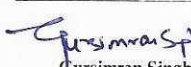
Shareholders holding more than 5 % shares	No. of Equity	% of Holding	
Mr Jasjot Singh	17,84,720	17.83%	
Healthy Biosciences Pvt Ltd	13,82,296	13.82%	
Ms.Upneet Kaur	7,74,718	7.74%	
Ms.Ishneet Kaur	6,76,418	6.76%	
<b>Shareholders holding by Promoters</b>	<b>No. of Equity</b>	<b>% of Holding</b>	<b>% change during year</b>
Mr Jasjot Singh	17,84,720	17.83%	0.98%
Healthy Biosciences Pvt Ltd	13,82,296	13.82%	-
Ms.Upneet Kaur	7,74,718	7.74%	-
Ms.Ishneet Kaur	6,76,418	6.76%	-
Ms Asmeet Kaur	3,23,268	3.23%	3.23%
Ms Paramjeet Kaur	3,23,268	3.23%	3.23%
Prism Medicos and Pharmacy Ltd	-	-	-6.46%

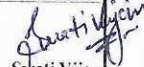
\* Ms Prism Medicos and Pharmacy Ltd transferred its shares to Ms Ashmeet Kaur and Ms Paramjeet Kaur on 13th May 2021. Further Mr Jasjot Singh bought back shares issued to public on 1st september 2021



FOR & ON BEHALF OF THE BOARD

  
 Jasjot Singh  
 Managing Director/CFO

  
 Gursimran Singh  
 Director

  
 Swati Vijan  
 CS



**AJOONI BIOTECH LIMITED**  
**AS AT 31ST MARCH, 2022**

**PARTICULARS** 31ST MARCH 2022 31ST MARCH 2021

**NOTE : 10- OTHER EQUITY** TOTAL Rs. 6,37,67,837 5,64,51,410

PARTICULARS	general reserve & retained earnings (in Rs )	securities premium reseve (in Rs )	Items of OCI(In Rs)	Total Other Equity
Balance on 1.04.2020	5,07,87,210.13	2,40,72,782.00		7,48,59,992.13
Pofit for the year	37,30,518.00			37,30,518.00
Bonus issue of shares	(1,00,05,580.00)			(1,00,05,580.00)
Share Premium		60,00,000.00		60,00,000.00
Items of Other Comprehensive Income			(1,81,33,519.95)	(1,81,33,519.95)
Balance on 31.03.2021	4,45,12,148.12	3,00,72,782.00	(1,81,33,519.95)	5,64,51,410.17
Balance on 1.04.2021	4,45,12,148.12	3,00,72,782.00	(1,81,33,519.95)	5,64,51,410.17
Pofit for the year	1,04,88,228.52			1,04,88,228.52
shares premium				-
Bonus issue of shares				-
Items of Other Comprehensive Income			(31,71,803.00)	(31,71,803.00)
Balance on 31.03.22	5,50,00,376.64	3,00,72,782.00	(2,13,05,322.95)	6,37,67,836.69

**NOTE : 11 - LONG TERM BORROWINGS**

Secured Borrowings (annexure A)	2,48,99,044.39	1,81,79,313
Unsecured Borrowings (As per list attached)	8,64,800.00	8,00,000
<b>TOTAL Rs.</b>	<b>2,57,63,844</b>	<b>1,89,79,313</b>

**NOTE : 12 - SHORT TERM BORROWINGS**

Current Maturities of Long Term Debt (annexure A)	95,37,492.00	92,35,038
Canara Bank CC Limit	-	3,96,22,222
HDFC Bank CC Limit	1,82,03,300.81	-
CC SANCTIONED FOR 6.70 CRORES AGAINST Primary security :	<b>TOTAL Rs.</b> 2,77,40,793	4,88,57,260

Stock , Book debts, Industrial Property , Machinery and Fixed Deposits


**Collateral Security**

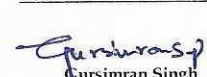
EMT of Land & Building at D-118, Industrial Area Phase-7 Mohali, Market Value 500 Lacs


Additional EMT OF industrial Property in Khanna , MV 500 LACS

Personal Gurantee of Directors

FOR & ON BEHALF OF THE BOARD

  
 Jasjot Singh  
 Managing Director/CFO

  
 Gursimran Singh  
 Director

  
 Swati Vijan  
 CS



**AJOONI BIOTECH LIMITED**  
**LIST OF SECURED BORROWINGS**  
**AS AT 31ST MARCH, 2022**

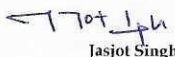
Annexure A

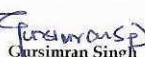
(Amount in Rs.)


YEAR PARTICULARS	2022		TOTAL (Rs.)	2021		TOTAL (Rs.)
	Current Period	Non-Current Period		Current Period	Non-Current Period	
Canara Bank - Car Loan <i>(Against hypothecation of Toyota Car (fortuner) car, Rate =8.80%)</i>	0.00	0.00	0.00	6,14,160.00	1,09,437.00	7,23,597.00
HDFC Bank - Car Loan Innova <i>(Against hypothecation of Innova car, Rate =7.50%)</i>	6,02,760.00	16,93,353.59	22,96,113.59	0.00	0.00	0.00
HDFC Bank - Car Loan Kia <i>(Against hypothecation of Kia car, Rate =7.25% Duration: 5 Years)</i>	2,52,900.00	7,60,784.43	10,13,684.43	0.00	0.00	0.00
Canara Bank - Car Loan (a/c 291) <i>(Against hypothecation of Balero car, Rate =9.15% Duration: 5 Years)</i>	1,65,588.00	2,33,739.00	3,99,347.00	1,67,820.00	3,60,587.00	5,28,407.00
Canara Bank - Car Loan (a/c 292) <i>(Against hypothecation of Balero car, Rate =9.15% Duration: 5 Years)</i>	1,65,600.00	2,33,753.02	3,99,353.02	1,67,832.00	3,60,588.00	5,28,420.00
Cannara Bank Term Loan-Machinery <i>(Against hypothecation of Plant &amp; Machinery, Rate =10.15% p.a ,Duration 66 months)</i>	0.00	0.00	0.00	35,70,003.00	1,06,89,951.00	1,42,59,954.00
Cannara Bank Term Loan-a/c 2 <i>(working capital demand Loan , Tenure -24 months) Against hypothecation of stock &amp; book debts)</i>	0.00	0.00	0.00	26,33,328.00	4,38,896.00	30,72,224.00
Cannara Bank Term Loan A/C 24 <i>Against personal gurantee of Mr Jasjot Singh &amp; Mr Pardeep Singh) Tenure 48 Months.Roi = 7.50%</i>	0.00	0.00	0.00	18,59,751.00	55,79,249.00	74,39,000.00
Hdfc Truck Loan <i>Against hypothecation of Vehicle ,tenure 60 months)</i>	2,22,144.00	4,87,107.64	7,09,251.64	2,22,144.00	6,40,605.00	8,62,749.00
HDFC Bank GECL Loan <i>Tenure 33 Months Months.Roi =8.25%</i>	39,27,444.00	38,40,479.73	77,67,923.73	0.00	0.00	0.00
HDFC Bank Term Loan <i>Tenure 48 Months.Roi =7.2%</i>	32,91,084.00	1,36,05,818.31	1,68,96,902.31	0.00	0.00	0.00
HDFC Bank Term loan 327 <i>Tenure 48 Months.Roi =7.2%</i>	9,09,972.00	40,43,988.67	49,53,960.67	0.00	0.00	0.00
<i>Above HDFC Bank GECL Loan and Term Loan are secured by</i>						
<b>Primary security :</b>						
Stock , Book debts, Industrial Property , Machinery and Fixed Deposits						
<b>Collateral Security</b>						
EMT of Land & Building at D-118, Industrial Area Phase-7 Mohali, Market Value 500 Lacs						
Additional EMT OF industrial Property in Khanna , MV 500 LACS						
Personal Gurantee of Directors						
<b>TOTAL Rs.</b>	<b>95,37,492.00</b>	<b>2,48,99,044.39</b>	<b>3,44,36,536.39</b>	<b>92,35,038.00</b>	<b>1,81,79,313.00</b>	<b>2,74,14,351.00</b>



FOR & ON BEHALF OF THE BOARD

 Jasjot Singh  
 CFO/ Managing Director

 Gursimran Singh  
 Director

 Swati Vijan  
 CS

**AJOONI BIOTECH LIMITED**  
**AS AT 31ST MARCH, 2022**

**PARTICULARS**

**31ST MARCH 2022**

**31ST MARCH 2021**

**NOTE : 13 - TRADE PAYABLES**

Sundry Creditors		
-Raw Materials	6,38,87,586	4,83,83,601
-Others	23,32,957	44,59,820
Expenses Payable	17,70,599	11,60,537
<b>TOTAL Rs.</b>	<b>6,79,91,141</b>	<b>5,40,03,957</b>

*Trade Paybles Ageing Schedule*

Sno	Particulars	Outstanding for following periods from due date of payment/Transaction				TOTAL
		less than 1 year	1-2 years	2-3 years	More than 3 years	
1	MSME	2,38,45,752.42	-	-	-	2,38,45,752.42
2	Others	4,22,58,226.33	1,16,563.60	-	-	4,23,74,789.93
3	Disputed					
	Disputed-MSME					
	Disputed-Others					

**NOTE :14 - OTHER CURRENT LIABILITIES**

Other Payable's		
Statutory Remittance	2,68,193	3,15,165
Advances from Customers/Others	46,550	30,425
Audit Fees Payable	64,800	66,300
<b>TOTAL Rs.</b>	<b>3,79,543</b>	<b>4,11,890</b>

**NOTE :15 -Current Tax Liability**

Tax payable for the year	4476260	15,03,280
<b>TOTAL Rs.</b>	<b>44,76,260</b>	<b>15,03,280</b>

**NOTE : 16- REVENUE FROM OPERATIONS**

(i) Sale of Products:		
- Domestic Sales	74,03,77,673	51,03,88,901
<b>TOTAL Rs.</b>	<b>74,03,77,673</b>	<b>51,03,88,901</b>

**NOTE : 17- OTHER INCOME**

(i) Rebate & Discount	3,09,211	1,65,964
(ii) Interest	5,548	2,137
(iii) Round off	5,683	3,108
(iv) Misc Income	60,850	900
<b>TOTAL Rs.</b>	<b>3,81,292</b>	<b>1,72,109</b>

FOR & ON BEHALF OF THE BOARD




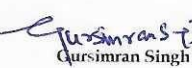

*Jasjot Singh*  
Jasjot Singh  
Managing Director/CFO

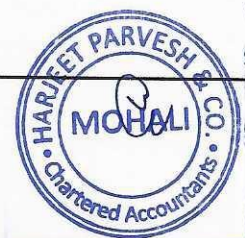
*Gursimran Singh*  
Gursimran Singh  
Director

*Swati Vijan*  
Swati Vijan  
CS



**AJOONI BIOTECH LIMITED**  
**AS AT 31ST MARCH, 2022**

PARTICULARS	31ST MARCH 2022	31ST MARCH 2021
<b>NOTE : 18 - COST OF MATERIAL CONSUMED</b>		
Opening Stock of Raw material & Packing Material	4,86,09,854	3,11,37,393
Add: Purchases of Raw material& Packing Material	64,31,62,325	44,73,31,774
Add: Direct expenses	20,26,599	37,00,676
Less: Closing Stock of Raw material & Packing Material	5,46,49,353	4,86,09,854
<b>TOTAL Rs.</b>	<b>63,91,49,425</b>	<b>43,35,59,989</b>
<b>NOTE :19 - CHANGE IN INVENTORIES</b>		
<b>- Finished Goods / Traded Goods</b>		
Closing Stock of Finished/Traded goods	41,67,687	51,52,236
Less Opening Stock of Finished Goods	51,52,236	17,19,422
<b>TOTAL Rs.</b>	<b>9,84,549</b>	<b>-34,32,815</b>
<b>NOTE : 20 - EMPLOYEE BENEFIT EXPENSE</b>		
(i) Salary, Wages & Allowances	1,27,94,288	98,67,503
(ii) Staff Welfare Expenses	11,50,979	10,17,473
(iii) Medical Expenses	87,182	4,887
(iv) Bonus	3,03,300	1,61,584
(v) PF Expenses	2,95,756	2,72,467
(vi) ESI Expenses	1,66,631	1,54,523
(vii) Labour Welfare	16,825	-
<b>TOTAL Rs.</b>	<b>1,48,14,961</b>	<b>1,14,78,437</b>
<b>NOTE : 21- FINANCE COST</b>		
Bank Charges & Interest	53,89,400	49,40,079
Processing Fees	11,292	9,00,611
<b>TOTAL Rs.</b>	<b>54,00,692</b>	<b>58,40,690</b>
<b>NOTE : 22 - DEPRECIATION EXPENSE</b>		
Depreciation on Fixed Assets	97,00,044	43,68,130
Preliminary Expenses W/o	14,07,030	14,07,030
<b>TOTAL Rs.</b>	<b>1,11,07,074</b>	<b>57,75,160</b>
<b>NOTE : 23- OTHER OPERATING EXPENSES</b>		
Rent	12,60,800	7,64,800
Electricity, Power & Water	71,80,512	48,22,725
Loading/Unloading Charges	27,20,765	7,28,469
Fuel Charges	20,42,399	57,20,283
Wood Fire Expenses	15,35,030	6,64,250
<b>TOTAL Rs.</b>	<b>1,47,39,506</b>	<b>1,27,00,527</b>
<b>FOR &amp; ON BEHALF OF THE BOARD</b>		
 Jasjot Singh Managing Director/CFO		
 Qursimran Singh Director		
 Swati Vijan CS		



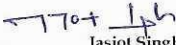


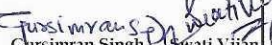
**AJOONI BIOTECH LIMITED**  
**AS AT 31ST MARCH, 2022**

PARTICULARS	31ST MARCH 2022	31ST MARCH 2021
<b>NOTE : 24 - ADMINISTRATIVE EXPENSES</b>		
Directors' Remuneration	38,00,000	28,40,000
Sitting Fee	99,000	81,000
Telephone, Fax & Internet	58,040	70,285
Packaging & Forwarding	7,25,146	2,88,396
Printing & Stationery	2,04,592	1,40,314
Postage & Telegram	20,623	51,174
Audit Fee	70,800	70,800
Legal & Professional Charges	13,18,478	8,99,331
Insurance Charges	3,19,679	2,41,838
AMC Charges	24,072	31,940
Testing Charges	-	17,700
Membership & Subscription	48,380	23,600
Rate, Fees & Taxes	5,25,157	4,55,139
Listing Fee	9,70,000	7,27,300
Tender Fee	-	6,400
Travelling & Conveyance	3,63,893	38,669
Repair & Maintenance		
Plant & machinery	17,24,921	9,41,438
General	18,32,215	9,44,848
Weightment Charges	33,300	22,990
Delivery Charges	2,35,57,239	2,51,49,182
Running & Maintenance	4,92,226	8,52,857
Advertisement & Publicity	3,54,041	1,32,479
Brokerage	4,80,403	4,93,933
Sale Incentive	-	5,80,240
Marketing Expenses	6,15,589	10,19,672
Research & Development Expenses	4,97,527	6,99,022
Rebate & Discount	-	21,68,815
Charges on sale/ purchase of shares	5,624	3,212
Stores & Spares	3,24,889	2,66,879
Diwali Expenses	1,33,220	1,08,790
Toll Charges	63,762	1,55,345
Car Rental	-	21,000
Bad Debts/Balances written off	10,92,032	944
Covid Expenses	-	11,000
Loss on sale of Fixed Asset	1,14,264	
Miscellaneous Expenses	82,512	40,117
<b>TOTAL Rs.</b>	<b>3,99,51,623</b>	<b>3,95,96,648</b>



FOR & ON BEHALF OF THE BOARD

  
 Jasjot Singh  
 Managing Director/CFO

  
 Gursimran Singh  
 Director

CS

**NOTE : 25 - NOTES ON ACCOUNTS & ACCOUNTING POLICIES**  
**Forming part of Balance Sheet and Statement of Profit and Loss**  
**For the Year ended 31st March, 2022**

Note 25

**A SIGNIFICANT ACCOUNTING POLICIES :-**

The following disclosure of accounting policies is made in pursuance of the recommendation of the Accounting standards Boards of the Institute of Chartered Accountants of India on 'Disclosure of Accounting Policies'.

**a) System of Accounting :**

The company has adopted Indian Accounting Standards (IndAS) as notified by the Ministry of Corporate Affairs with effect from 01st April 2020, with a transition date of 01st April 2019. The adoption of IndAs has been carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS Standards and interpretations that are issued and effective for the First Ind AS Financial Statements for the year ended 31st March 2022, be applied retrospectively and consistently for all financial years presented .

**b) Fixed Assets and Depreciation.:**

Depreciation is provided on Written Down Value method assuming residual value as 5% over the useful lives of assets estimated by the Management, at the rates specified in Part C of Schedule II of the Companies Act 2013 on Pro rata basis and the Assets having the Value up to Rs 5000.00 have been depreciated at the rate of 100%.

**c) Inflation :**

Assets & Liabilities are recorded at historical cost to the company. These costs are not adjusted to reflect the changing value in the purchasing power of money.

**d) Basis of Accounting.**

The Accounts of the Company are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 2013 and accepted accounting standards. The accounts are prepared on accrual basis.

**e) Valuation of Inventory**

FIFO method of Stock valuation has been adopted by the company. Stock of raw material, stores & spares are valued at cost whereas stock of finished goods is valued at cost or net realisable value whichever is lower.

**f) Events Occuring After the Valuation Date**

Events occurring after the date of Balance Sheet, are considered up to date of finalisation of accounts, wherever material.

**g) Use Of Estimates**

The preparation of the financial statements in conformity with INDAS requires management to make estimates and assumption that affect the reported balances of assets and liabilities and disclose relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the company to estimates the efforts or cost expended to date as a proportion of the total efforts or costs to be expended, provisions for doubtful debts, future obligation under employee retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed tangible assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**h) Recognition Of Income & Expenditure**

- i) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company, the significant risks and rewards of ownership have been transferred to the buyer and
- ii) Sales are recognised as & when the goods are supplied and net of GST. However rebate & discount is being separately shown as other income.
- iii) Expenses are accounted for on accrual basis and provision is made for all known losses and expenses.

**i) Employee's Benefits**

The retirement benefits of the employees include Gratuity, Provident Fund & Contribution to the PF is provided on Accrual basis. No Provision has been made for Leave Encashment.

**j) Cash Flow Statement**

As per IND AS-7, an entity shall report cash flows from operating activities using either the direct method (whereby major classes of gross cash receipts and gross cash payments are disclosed) or the indirect method (whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows), the Company chose to prepare the cash flow statements using the indirect method .

**k) Income Tax**

Income tax is recognized in the Statement of income except to the extent that it relates to items recognized directly within equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially-enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised

**l) Investments**

During the current financial year company has sold investments .As per IND AS the Residual should be recognised at fair value and any change in the value should be recognised through FVTPL/FVOCI method.Hence the investments are recognised at fair avlue and effect of same has been dealt accordingly



**B NOTES ON ACCOUNTS :-**

1. Previous year figure have been re-grouped / re-arranged / re-caste wherever considered necessary, to suit the current year's layout as per the performa of Revised Schedule III of IND AS
2. In the opinion of the Board, the current assets, loans & advances have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated in the balance sheet and that the provision for known liabilities are adequate and not in excess of amount reasonably necessary.

Particulars	2021-22	2020-21
<b>Profit available for Equity Shareholders</b>		
<b>For Basic Earning:</b>		
For Basic Earning:	1,04,88,228.52	37,30,516.60
No. of Weighted Average Equity Shares	1,00,05,582	1,00,05,582
<b>For Diluted Earning:</b>		
No. of Weighted Average of Diluted Equity Shares	1,00,05,582.00	1,00,05,582.00
Nominal Value of Equity Shares		
Earning Per Share (RS)		
Basic	1.05	0.37
Diluted	1.05	0.37

4. With reference to Employee Benefits, no provision has been made regarding Gratuity, Leave encashment & in absence of actuarial valuation there impact on financial statements are unascertainable.
5. Related Party disclosures are required under the Accounting standard (IAS-24) on "Related Party Disclosures" issued are given below:-

a.) Relationship

i) Holding Company : NONE

ii) Key Management Personnel (Managing / Whole Time Director)

(i) Mr. Jasjit Singh

iii) Entities over which key management personnel / their Relatives are able to exercise significant influence

a) Punjab Biotechnology Park Limited

Mr. Jasjit Singh Relationship: Common Director

b) M/s Khanna Solvex

Mr. Jasjit Singh Relationship: Partner in firm

iv) Related Party Transaction

Description	2021-22	2020-21
1. Transaction during the year		
With Healthy Bioscience Private Limited		
Purchases within the year	6,30,090.50	34,00,610.00
Sale made during the year	42,00,000.00	
Repayment made against purchases netted off sales		34,00,610.00
Amount Received against sales netted off Purchase	35,69,909.50	
Expenses Incurred for party	32,300.00	
Any Other Amount received	2,40,08,800.50	
Any other amount paid	2,40,08,801.00	
With Prism Medico & Pharmacy Lid		
Purchases within the year		9,13,050.00
Sale made during the year		
Repayment made against purchases		10,63,050.00
Collections Received		1,50,000.00
Any Other Amount received	9,13,000.00	
Any other amount paid	9,13,000.00	
With Relatives		
600000 Equity shares Rs 10/- each allotted to Mr Jasjit Singh on 10.11.20 at premium of Rs 10 each		1,20,00,000.00
2. Rent paid to Healthy Biosciences Private Limited	2,12,400.00	2,12,400.00
<b>Total</b>	<b>5,84,88,301.50</b>	<b>2,11,39,720.00</b>

6. The Balance in the parties account whether debit or credit are subject to confirmation, reconciliation and adjustment

7. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)

8. Contingent Liabilities not provided for :

a. Bank Guarantees

b. Contingent Liabilities in respect of unassessed cases of Income Tax and Sales Tax

c. Uncalled Liabilities as Shares partly paid

d. Claims not Acknowledged as debts

e. Letter of Credit(s)

Nil	Nil
Unascertained	Unascertained
Nil	Nil
Nil	Nil
Nil	Nil

9. CIF value of imports

31st March, 2022                      31st March, 2021

10. Remittance in foreign Currency

Nil    Nil

11. Expenditure in Foreign Currency

Nil    Nil

12. Earning in Foreign Currency

Nil    Nil

13. In the opinion of Board of Directors, the Current Assets, Loan & advances shown in the Balance sheet have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

14. Auditors' Remuneration

31st March, 2022                      31st March, 2021

As Statutory Audit Fee

70,800.00                                      70,800.00

Total Rs.

70,800.00                                      70,800.00

*[Handwritten signatures]*





15. Deferred Taxation  
In conformity with IND AS 12 "Deferred tax Liability/Asset is as follows:-

PARTICULARS	Current Year	Previous Year
Difference on Account of Depreciation	13,59,052.50	7,36,245.87
Total Timing Difference	13,59,052.50	7,36,245.87
Tax Rate	26%	26%
Deferred Tax Asset/(liability) created on Timing Difference	3,53,353.65	1,91,423.93
Opening DTA/DTL	14,65,029.19	12,73,605.26
<b>Total Deferred Tax Asset</b>	<b>18,18,382.84</b>	<b>14,65,029.19</b>

Deferred Tax Due to Depreciation:

	CURRENT YEAR	PREVIOUS YEAR
Timing Difference on Depreciation		
Depreciation as per Books of Accounts	97,00,043.82	43,68,129.61
Depreciation as per Income Tax Act	83,40,991.32	36,31,883.74
<b>Timing Difference (Less Allowance By Income Tax)</b>	<b>13,59,052.50</b>	<b>7,36,245.87</b>

16. KEY RATIOS AS ON 31.03.2022

PARTICULARS	RATIO
1) CURRENT RATIO	2.18
2) DEBT -EQUITY RATIO	0.74
3) DEBT SERVICE COVERAGE RATIO	1.60
4) RETURN ON EQUITY RATIO	0.04
5) INVENTORY TURNOVER RATIO	8.64
6) TRADE RECEIVABLES TURNOVER RATIO	3.58
7) TRADE PAYABLES TURNOVER RATIO	7.79
8) NET CAPITAL TURNOVER RATIO	7.60
9) NET PROFIT RATIO	0.01
10) RETURN ON CAPITAL EMPLOYED RATIO	0.09
11) RETURN ON INVESTMENT	0.09

17. Details of Shareholders

Details of Shareholders have been attached as per Annexure "B".

18. Others

1) The company is engaged in business of selling Nil rated product i.e cattle feed , whose sales is done on FOR basis according to which the rate charged included the transportation cost per unit ascertained by company. The gst on such cost has not been ascertained by management due to nature of product being sold.

19. Rounding off has been done to nearest 10

FOR AND ON BEHALF OF THE BOARD

*T T Singh*  
Tasit Singh  
MANAGING DIRECTOR/CFO

*Gursimran Singh*  
Gursimran Singh  
DIRECTOR

*Swati Vijan*  
Swati Vijan  
CS

DATE: 09/05/2022  
PLACE: MOHALI



**AJOONI BIOTECH LIMITED**  
**CIN : L85190PB2010PLC040162**

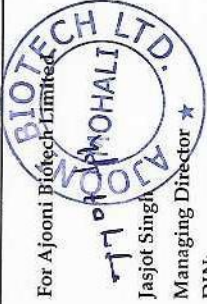
**STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER 2022 (In Lakhs)**

PARTICULARS	Quarter Ended				Year Ended (Audited)
	30.09.2022	30.06.2022	30.09.2021	Period Ended (UnAudited) 30.09.2022	
	30.09.2022	30.09.2021	Period Ended (UnAudited) 30.09.2021	Year Ended (Audited) 31.03.2022	
<b>I Income</b>					
Revenue from operations	1,029.14	1,231.07	1,839.19	2,260.21	7403.77
Other income	0.34	0.78	0.81	1.12	3.81
<b>Total income from operations</b>	<b>1,029.48</b>	<b>1,231.85</b>	<b>1,840.00</b>	<b>2,261.33</b>	<b>7,407.58</b>
<b>II Expenses</b>					
Cost of Material Consumed	767.05	1,072.05	1,562.05	1,839.10	6,391.49
Change In Inventories	55.98	(42.22)	(15.22)	13.76	9.84
Employee benefit expenses	45.86	52.45	42.03	98.31	148.14
Finance costs	13.38	9.92	22.18	23.30	54.00
Depreciation and amortization expenses	25.32	24.94	28.86	50.26	111.07
Payment to NSE					
Other expenses	101.63	72.62	154.81	174.25	546.93
<b>Total expenses</b>	<b>1,009.22</b>	<b>1,189.76</b>	<b>1,794.71</b>	<b>2,198.98</b>	<b>7,261.47</b>
<b>III Profit/(Loss) before exceptional items and tax</b>	<b>20.26</b>	<b>42.09</b>	<b>45.29</b>	<b>62.35</b>	<b>146.11</b>
<b>IV Exceptional items</b>					
<b>V Profit/(Loss) before tax</b>	<b>20.26</b>	<b>42.09</b>	<b>45.29</b>	<b>62.35</b>	<b>146.11</b>
<b>VI Tax expenses</b>					
a) Current tax	5.27	10.94	11.78	16.21	44.76
b) Deferred tax	0.55	1.05	1.75	1.60	3.53
b) Mat Credit					
<b>VII Net Profit/(Loss) for the period/year</b>	<b>15.54</b>	<b>32.20</b>	<b>35.26</b>	<b>47.74</b>	<b>104.88</b>
<b>VIII Other comprehensive income (net of tax)</b>					
Items that will not be reclassified to profit or loss:			5	-	(32)
<b>Total other comprehensive income</b>			5	-	(32)
<b>IX Total comprehensive income for the period/year (VII+VIII)</b>	<b>15.54</b>	<b>32.20</b>	<b>40.19</b>	<b>47.74</b>	<b>73.16</b>
<b>X Paid-up equity share capital (face value of the share shall be indicated)</b>	<b>1,000.55</b>	<b>1,000.55</b>	<b>1,000.55</b>	<b>1,000.55</b>	<b>1,000.55</b>
<b>XI Other equity (excluding revaluation reserve)</b>	<b>685.41</b>	<b>656.61</b>	<b>637.51</b>	<b>685.41</b>	<b>637.67</b>
<b>XII EPS in Rs. (Face Value of Rs.10/- each)*</b>					
-Basic	0.16	0.32	0.35	0.48	1.05
-Diluted	0.16	0.32	0.35	0.32	1.05

Notes:



1. The above results are as per Regulation 33 of the SEBI (LODR) Regulations, 2015 as amended and have been taken on record by Board of Directors at its meeting held on 11.11.2022 after being reviewed by the Audit Committee.
2. The company is having single segment in accordance with IND AS 108 "operating segments" . and therefore segment reporting is not applicable to the Company.
3. Due to re-grouping of schedules, and as per applicability of IND-AS, there has been a difference in the figures as reported earlier.



For Ajooni Biotech Limited  
Jasjot Singh  
Managing Director ★  
DIN:  
01937631

Date 11.11.2022

Place : Mohali



**Statement of Assets and Liabilities**  
**For the Half Year ended on 30<sup>th</sup>**  
**September 2022**

<u>PARTICULARS</u>	<u>30<sup>th</sup> Sep 2022</u>	<u>in Rs.</u> <u>31<sup>st</sup> March 2022</u>
<b><u>I. ASSETS</u></b>		
<b><u>(1) Non - Current Assets</u></b>		
a) Property, Plant and Equipment	67,564,244	62,052,358
b) Financial Assets		
(1) Non-Current Investments	9,590,692	7,038,909
c) Deffered Tax Asset	1,958,500	1,818,383
<b><u>(2) Current Assets</u></b>		
a) Inventories	44,766,589	58,817,040
b) Financial Assets		
(1) Cash & Cash Equivalent	1,823,880	573,855
(2) Short Term Loans and advances	15,500,136	21,471,815
(3) Trade Receivables	132,874,747	138,402,877

<b>TOTAL Rs.</b>	<b>274,078,789</b>	<b>290,175,237</b>
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**II EQUITY AND LIABILITIES**

**(1) Equity**

a) Equity Share Capital	100,055,820	100,055,820
b) Other Equity	68,541,900	63,767,836

**(2) Non-Current Liabilities**

a) Financial Liabilities

(1) Borrowings	23,639,042	25,763,844
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**(3) Current Liabilities**

a) Financial Liabilities

(1) Borrowings	43,539,917	27,740,793
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(2) Trade Payables	33,415,770	67,991,141
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b) Other Current Liabilities

	3,265,239	379,543
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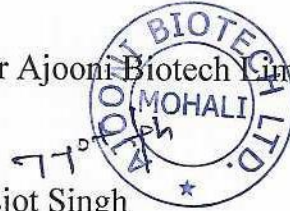
c) Current tax liabilities (Net)

	1,621,100	4,476,260
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<b>TOTAL Rs.</b>	<b>274,078,788</b>	<b>290,175,237</b>
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Date: 11.11.2022  
Place: Mohali

For Ajooni Biotech Limited



Jasjot Singh  
Managing Director  
DIN: 01937631





# Harjeet Parvesh & Company

CHARTERED ACCOUNTANTS

(A PEER REVIEWED FIRM)

## Limited Review Report on Standalone Financial Results

To Board of Directors of M/s Ajooni Biotech Limited

We have reviewed the Standalone Un-Audited Financial Result of M/s. Ajooni Biotech Limited having its Regd. Office at D-118, Industrial Area, Phase VII, Mohali, Punjab-160055 for the Quarter ended 30<sup>th</sup> SEPTEMBER 2022 ("the Statement") attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the Securities and Exchange Board of India ('SEBI') from time to time.

This statement is the responsibility of company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Engagement to "Review of Interim Financial Information performed by the independent auditor of the entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statement is free of material mis-statement. A review is limited primarily to inquiries of company personal and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of Standalone-audited Financial Result prepared in accordance with applicable Accounting Standards i.e Indian Accounting Standards ('Ind AS') prescribed under section 133 of Companies Act, 2013, read with relevant rules issued there under and others recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulations 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Harjeet Parvesh & Co.  
Chartered Accountants

CA Konica Madan  
Partner  
M.No 547759  
Date : 11.11.2022

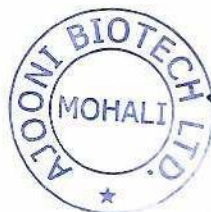
UDIN : 22547759BCUHB05419.





## Cash flow statement, indirect

Particulars		6 months ended (dd-mm-yyyy)
A		
B	Date of start of reporting period	01-04-2022
C	Date of end of reporting period	30-09-2022
D	Whether results are audited or unaudited	Unaudited
	Nature of report standalone or consolidated	Standalone
Part I	Blue color marked fields are non-mandatory.	
<b>Statement of cash flows</b>		
<b>Cash flows from used in operating activities</b>		
	Profit before tax	
	<b>Adjustments for reconcile profit (loss)</b>	62.35
	Adjustments for finance costs	0.000
	Adjustments for decrease (increase) in inventories	140.510
	Adjustments for decrease (increase) in trade receivables, current	55.280
	Adjustments for decrease (increase) in trade receivables, non-current	0.000
	Adjustments for decrease (increase) in other current assets	59.720
	Adjustments for decrease (increase) in other non-current assets	0.000
	Adjustments for other financial assets, non-current	0.000
	Adjustments for other financial assets, current	0.000
	Adjustments for other bank balances	0.000
	Adjustments for increase (decrease) in trade payables, current	-345.760
	Adjustments for increase (decrease) in trade payables, non-current	0.000
	Adjustments for increase (decrease) in other current liabilities	0.310
	Adjustments for increase (decrease) in other non-current liabilities	0.000
	Adjustments for depreciation and amortisation expense	50.270
	Adjustments for impairment loss reversal of impairment loss recognised in profit or loss	0.000
	Adjustments for provisions, current	0.000
	Adjustments for provisions, non-current	0.000
	Adjustments for other financial liabilities, current	0.000
	Adjustments for other financial liabilities, non-current	0.000
	Adjustments for unrealised foreign exchange losses gains	0.000
	Adjustments for dividend income	0.000
	Adjustments for interest income	0.000
	Adjustments for share-based payments	-23.300
	Adjustments for fair value losses (gains)	0.000
	Adjustments for undistributed profits of associates	0.000
		0.000



Other adjustments for which cash effects are investing or financing cash flow	0.000
Other adjustments to reconcile profit (loss)	0.000
Other adjustments for non-cash items	0.000
Share of profit and loss from partnership firm or association of persons or limited liability partnerships	0.000
<b>Total adjustments for reconcile profit (loss)</b>	<b>-16.370</b>
<b>Net cash flows from (used in) operations</b>	<b>45.980</b>
Dividends received	0.000
Interest paid	0.000
Interest received	0.000
Income taxes paid (refund)	16.030
Other inflows (outflows) of cash	0.000
<b>Net cash flows from (used in) operating activities</b>	<b>29.950</b>
<b>Cash flows from used in investing activities</b>	
Cash flows from losing control of subsidiaries or other businesses	0.000
Cash flows used in obtaining control of subsidiaries or other businesses	0.000
Other cash receipts from sales of equity or debt instruments of other entities	0.000
Other cash payments to acquire equity or debt instruments of other entities	0.000
Other cash receipts from sales of interests in joint ventures	0.000
Other cash payments to acquire interests in joint ventures	0.000
Cash receipts from share of profits of partnership firm or association of persons or limited liability partnerships	0.000
Cash payment for investment in partnership firm or association of persons or limited liability partnerships	0.000
Proceeds from sales of property, plant and equipment	105.380
Purchase of property, plant and equipment	0.000
Proceeds from sales of investment property	0.000
Purchase of investment property	0.000
Proceeds from sales of intangible assets	0.000
Purchase of intangible assets	0.000
Proceeds from sales of intangible assets under development	0.000
Purchase of intangible assets under development	0.000
Proceeds from sales of goodwill	0.000
Purchase of goodwill	0.000
Proceeds from biological assets other than bearer plants	0.000
Purchase of biological assets other than bearer plants	0.000
Proceeds from government grants	0.000
Proceeds from sales of other long-term assets	0.000
Purchase of other long-term assets	25.510
Cash advances and loans made to other parties	0.000
Cash receipts from repayment of advances and loans made to other parties	0.000





Cash payments for future contracts, forward contracts, option contracts and swap contracts	0.000
Cash receipts from future contracts, forward contracts, option contracts and swap contracts	0.000
Dividends received	0.000
Interest received	0.000
Income taxes paid (refund)	0.000
Other inflows (outflows) of cash	0.000
<b>Net cash flows from (used in) investing activities</b>	<b>-130.890</b>
<b>Cash flows from used in financing activities</b>	
Proceeds from changes in ownership interests in subsidiaries	0.000
Payments from changes in ownership interests in subsidiaries	0.000
Proceeds from issuing shares	0.000
Proceeds from issuing other equity instruments	0.000
Payments to acquire or redeem entity's shares	0.000
Payments of other equity instruments	0.000
Proceeds from exercise of stock options	0.000
Proceeds from issuing debentures notes bonds etc	0.000
Proceeds from borrowings	136.740
Repayments of borrowings	0.000
Payments of finance lease liabilities	0.000
Payments of lease liabilities	0.000
Dividends paid	0.000
Interest paid	23.300
Income taxes paid (refund)	0.000
Other inflows (outflows) of cash	0.000
<b>Net cash flows from (used in) financing activities</b>	<b>113.440</b>
<b>Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes</b>	<b>12.500</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	
Effect of exchange rate changes on cash and cash equivalents	0.000
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>12.500</b>
Cash and cash equivalents cash flow statement at beginning of period	5.730
<b>Cash and cash equivalents cash flow statement at end of period</b>	<b>18.230</b>

For Ajooni Biotech Limited

Jasjot Singh  
Managing Director

DIN: 01937631

Date: 11.11.2022



**STATEMENT OF ACCOUNTING RATIOS**

**Accounting Ratios**

The following table presents certain accounting and other ratios derived from our audited standalone financial statements included in the section titled “Financial Information” beginning on page 100 of this Letter of Offer.

**Accounting Ratios (Standalone)\***

Particulars	Six months ended September 30, 2022	Year ended March 31, 2022
Earnings Per Share		
(a) Basic Earnings Per Share (after extraordinary items) (in Rs.)	0.48	1.05
(b) Diluted Earnings Per Share (after extraordinary items) (In Rs.)	0.48	1.05
Return on Net Worth (after extraordinary items and excluding Revaluation reserves) (%)	2.51%	5.67%
Net Asset Value / Book Value per Equity Share each	3.80	18.50
EBITDA (Rs. in Lakhs)	135.91	311.19

*\*Including Other Comprehensive Income*

**Capitalisation Statement**

The statement on our capitalisation is as set out below:

**Standalone Capitalisation statement**

Particulars	(Rs. in Lakhs)	
	As at September 30, 2022 (Pre-Issue)	As adjusted for proposed Issue
<b>Borrowings</b>		
Current Borrowings	435.40	435.40
Non-Current Borrowings	236.39	236.39
<b>Total borrowings (A)</b>	<b>671.79</b>	<b>671.79</b>
<b>Total Equity</b>		
Share capital	1000.56	1967.77
Reserves and surplus*	898.47	2832.88
<b>Total Equity (B)</b>	<b>1899.03</b>	<b>4800.65</b>
<b>Non-current Borrowings / Total Equity ratio</b>	<b>12.45%</b>	<b>4.92%</b>
<b>Total borrowings / Total Equity ratio (A/B)</b>	<b>35.38%</b>	<b>13.99%</b>

*\*Excluding other Comprehensive Income.*

### MARKET PRICE INFORMATION

The Equity Shares of our Company are listed on the NSE. As our Equity Shares are listed only on the NSE, stock market data for our Equity Shares has been given for NSE.

For the purpose of this section:

- Year is a Financial Year;
- Average price is the average of the daily closing prices of the Equity Shares, for the year, or the month, or the week, as the case may be;
- High price is the maximum of the daily high prices and Low price is the minimum of the daily low prices of the Equity Shares, for the year, or the month, as the case may be; and
- In case of two days with the same high/low/closing price, the date with higher volume has been considered.

#### Yearly Stock Market Quotation at NSE

The high, low prices and average of closing prices recorded on the NSE for the last three years are as follows:

Year ended on March 31	High (in Rs)	Date of High	No. of Shares traded on date of high	Low (in Rs)	Date of Low	No. of Shares traded on date of low	Average price for the year (in Rs.)
2023*	69.65	28 <sup>th</sup> April, 2022	75661	6.85	24 <sup>th</sup> October, 2022	230162	40.94
2022**	81.80	9 <sup>th</sup> February, 2022	1704772	31.00	5 <sup>th</sup> April, 2021	39996	57.92
2021	36.25	31 <sup>st</sup> August, 2020	80000	6.35	19 <sup>th</sup> May, 2020	4000	26.77
2020	21.00	2 <sup>nd</sup> April, 2019	24000	7.60	20 <sup>th</sup> January, 2020	4000	11.35

(Source: [www.nseindia.com](http://www.nseindia.com)) \* Till period ended 24<sup>th</sup> November, 2022. \*\*w.e.f. 7<sup>th</sup> May, 2021 i.e. date of Listing of share at Main Board of NSE.

**Note:** Equity Shares of the Company has been sub divided from Rs. 10 each to Rs. 2 each w.e.f. 7<sup>th</sup> October, 2022.

#### Monthly Stock Market Quotation at NSE

The high and low prices and volume of the Equity Shares traded on the respective dates for last six months are as follows:

Month	High (in Rs.)	Date of High	No. of Shares traded on date of high	Low (in Rs.)	Date of Low	No. of Shares traded on date of low	Average price for the Month (in Rs.)	Total No of Trading Days
November, 2022*	8.05	22 <sup>nd</sup> November, 2022	1615842	6.90	1 <sup>st</sup> November, 2022 & 2 <sup>nd</sup> November, 2022	183321 & 90275	7.60	17



Month	High (in Rs.)	Date of High	No. of Shares traded on date of high	Low (in Rs.)	Date of Low	No. of Shares traded on date of low	Average price for the Month (in Rs.)	Total No of Trading Days
October, 2022	42.70	6 <sup>th</sup> October, 2022	569971	6.85	24 <sup>th</sup> October, 2022	230162	12.71	19
September, 2022	42.45	1 <sup>st</sup> September, 2022	294591	32.65	21 <sup>st</sup> September, 2022	1777728	39.82	22
August, 2022	46.35	19 <sup>th</sup> August, 2022	133164	41.80	30 <sup>th</sup> August, 2022	626447	43.49	20
July, 2022	48.05	13 <sup>th</sup> July, 2022	50488	38.95	1 <sup>st</sup> July, 2022	70795	42.54	21
June, 2022	56.35	1 <sup>st</sup> June, 2022	13181	40.80	30 <sup>th</sup> June, 2022	40496	48.00	22
May, 2022	68.55	2 <sup>nd</sup> May, 2022	26935	52.85	25 <sup>th</sup> May, 2022	33515	60.27	21

(Source: [www.nseindia.com](http://www.nseindia.com)); \*Till period ended 24<sup>th</sup> November, 2022.

Note: Equity Shares of the Company has been sub divided from Rs. 10 each to Rs. 2 each w.e.f. 7<sup>th</sup> October, 2022.

#### Weekly Stock Market Quotation at NSE

Week end closing prices of the Equity Shares for the last four weeks on the NSE are as below:

Week Ended on	Closing Price (In Rs.)	High (in Rs.)	Date of High	Low (in Rs.)	Date of Low
18 <sup>th</sup> November, 2022	7.40	7.85	14 <sup>th</sup> November, 2022	7.40	18 <sup>th</sup> November, 2022
11 <sup>th</sup> November, 2022	7.65	7.95	9 <sup>th</sup> November, 2022	7.45	7 <sup>th</sup> November, 2022
4 <sup>th</sup> November, 2022	7.50	7.50	3 <sup>rd</sup> November, 2022 & 4 <sup>th</sup> November, 2022	6.90	1 <sup>st</sup> November, 2022 & 2 <sup>nd</sup> November, 2022
28 <sup>th</sup> October, 2022	7.05	7.05	28 <sup>th</sup> October, 2022	6.85	24 <sup>th</sup> October, 2022

(Source: [www.nseindia.com](http://www.nseindia.com));

Note: Equity Shares of the Company has been sub divided from Rs. 10 each to Rs. 2 each w.e.f. 7<sup>th</sup> October, 2022.

The closing price of the Equity Shares as on 14<sup>th</sup> October, 2022 was Rs. 7.55 on the NSE, the trading day immediately preceding the day on which Board of Directors approved the Issue.

The closing market price of our Equity Shares as on 24<sup>th</sup> November, 2022, was Rs. 7.90 on NSE.

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

*The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 100 of this Letter of Offer.*

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on page 23 and 16, respectively of this Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.*

*Our financial statements included in this Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscal 2022 included herein is based on the Audited Financial Statements included in this Letter of Offer. For further information, see "Financial Statements" beginning on page 100 of this Letter of Offer.*

*Neither we, nor the Company, any of their affiliates or advisors, nor any other person connected with the Issue has independently verified such information. For further information, see "Presentation of Financial and other Information" beginning on page 14 of this Letter of Offer.*

### **Business overview**

Our Company was originally incorporated at Chandigarh as "Ajooni Biotech Private Limited" on 17<sup>th</sup> February, 2010 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. Consequent upon the conversion of our Company to public limited company, the name of our Company was changed to "Ajooni Biotech Limited" and fresh certificate of incorporation dated 27<sup>th</sup> September, 2017 was issued by the Registrar of Companies, Chandigarh, Punjab.

Our Company got listed on January 02, 2018 on Emerge platform of National Stock Exchange of India Limited.

In the year 2010, Mr. Gurmeet Singh father of Mr. Jasjot Singh along with others put the first brick of foundation of our Company in the name of M/s Ajooni Biotech Private Limited. He began with himself sourcing of raw material and manufacturing of cattle feeds & Feed suppliments and selling them. Lateron, Mr. Jasjot Singh joined the business to increase the spectrum and volume of operations.

We are engaged in manufacturing, producing, processing and supplying of Cattle feed, Nutrients related to cattle feed and manufacturing & production of Animal health care suppliments. We are registered with Department of Industries, Govt. of Punjab as Small Scale Industry (SSI) and also registered with Department of Dairy Development, Govt of Punjab.

Our Company is a research and development focused animal healthcare solution company dedicated to improve the productivity of dairy farmers of sustainability increase milk yield. India's 1<sup>st</sup> ZED certified cattle feed with ISO 9000:2015 and also registered with Bureau of Indian Standards (BIS) and manufacturing ISI Mark Animal Feed. Our Company is using most modern technologies for all its operations such as ERP, PLC system to control production of most effective logistic systems.

We have entered into an exclusive agreement with IFFCO KISAN for supply of calcium on PAN India Basis in addition to Balinee Milk Producer Company Limited, Harit Pradesh Milk Producer Company Limited, Paras



Enterprises and Saahaj Milk Producer Company Limited for manufacturing of Cattle feed and Distribution of Cattle feed and feed supplements in the states of Punjab, Himachal Pradesh, Jammu & Kashmir, Haryana, Rajasthan and western Uttar Pradesh.

Our brand is considered the trust worthy brands among our customers. It is driven to combine innovation of compassion to create value driven products for all stakeholders. It focuses to leverage capabilities to develop cost effective solutions to improve animal health and productivity.

Our products come in variety of packaging to cater to all type of customers and their needs.

We manufacture cattle feed & supplement under own brand name of “AJOONI”. For Marketing of our own brand in the Market we have a strong professional team which covers the area of Punjab, Haryana, Uttar Pradesh, Rajasthan and Jammu and Kashmir. Our product is well accepted in the market. We are having a strong Dealer & Distribution Network across these states. We are planning to expand our marketing network across the country. Our Factory is established at Gaib Di Pulli, Village Bullepur, Tehsil Khanna, Distt. Ludhiana measuring 13 kanal 2 Marla i.e. land measuring 6K-15M out of land measuring 13K-2M comprised in Khewat No. 145 Khatuni No. 160 Killa No. 16//22, 17//25/1, 28//5/1, 29//1/1 and land measuring 6K-7M out of land measuring 8K-0M comprised in Khewat No. 143 khatauni No. 158 Kila No. 16//21 and built up area comprising 25000 Sq. ft working shed/ Godown and office under RCC Shed 4000 SFT area and our Godown is situated at Near Gaib Di Pully, G.T. Road Khanna, Tehsil-Khanna, District- Ludhiana-141401, Punjab measuring 12000 Sq. Ft. The company has purchases new land for expansion. Total land area is 31500 sq feet adjoining to its existing manufacturing plant.

We have a dedicated in-house Testing and Quality Control Team which undertakes rigorous testing and quality management. We have dedicated semi-automatic and manual testing machines. Our Testing and QC team coupled with our testing equipments ensure the quality of raw material dispensed in the production process and also the finished goods delivered to our customers. This helps in improving our procurement process thus reducing wastages, returns and other related costs.

Details of Total Revenue and Profit after Tax for the last years are us under:

Financial year	Revenue from operations (Amt in Lacs)	Other Income (Amt in Lacs)	Total Expenses (Amt in Lacs)	Profit after Tax (Amt in lacs)
2019-20	4003.26	5.99	3961.18	34.68
2020-21	5103.89	1.72	5055.19	37.31
2021-22	7403.78	3.82	7261.47	104.88
For the Six months ended 30 <sup>th</sup> September, 2022 (Unaudited)	2260.21	1.12	2261.33	47.74

#### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR**

To the knowledge of our Company and except as disclosed herein, since the date of the last financial statements contained in this Letter of Offer, no other circumstances have arisen which would materially and adversely affect or which would be likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 (twelve) months.





### FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "Risk Factors" beginning on page 23 of this Letter of offer. Our results of operations and financial conditions are affected by numerous factors including the following:

- General economic and business conditions;
- Company's inability to successfully implement its growth and expansion plans;
- Increasing competition in the Industry;
- Changes in technology;
- Any change in the laws and regulations to Industry in which we operate;
- Operational guidance and support

### SUMMARY OF OPERATIONS

The following discussion on result of operations should be read in conjunction with the Audited financial statements of our Company for the financial period ended March 2022 and 2021 and Unaudited financials for the Six months ended 30<sup>th</sup> September, 2022.

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited financial statements and unaudited financial results for the half year ended 30<sup>th</sup> September, 2022, in each case stated in absolute terms and as a percentage of total sales and/or total revenue:

(Rs. In Lacs)

Particulars	Six months ended 30 <sup>th</sup> September, 2022	31.03.2022	31.03.2021
<b>Income:-</b>			
Revenue from Operations	2260.21	7403.78	5103.89
<i>As a % of Total Revenue</i>	99.95%	99.95%	99.97%
Other Income	1.12	3.81	1.72
<i>As a % of Total Revenue</i>	0.05%	0.05%	0.03%
<b>Total Revenue (A)</b>	<b>2261.33</b>	<b>7407.59</b>	<b>5105.61</b>
<b>Growth %</b>			
<b>Expenditure:-</b>			
Cost of Material Consumed	1839.10	6391.49	4335.60
<i>As a % of Total Revenue</i>	81.33%	86.28%	84.92%
Change in Inventory	13.76	-9.85	(34.33)
Employees Benefit Expenses	98.31	148.15	114.78
<i>As a % of Total Revenue</i>	4.35%	2.00%	2.25%
Finance Cost	23.30	54.01	58.41
<i>As a % of Total Revenue</i>	1.03%	0.73%	1.14%
Depreciation and Amortization Expense	50.26	111.07	57.75
<i>As a % of Total Revenue</i>	2.22%	1.50%	1.13%
Other Expenses	174.25	546.92	522.97

Particulars	Six months ended 30 <sup>th</sup> September, 2022	31.03.2022	31.03.2021
<i>As a % of Total Revenue</i>	7.71%	7.38%	10.24%
<b>Total Expenses (B)</b>	2198.98	7261.48	5055.19
<i>As a % of Total Revenue</i>	97.24%	98.03%	99.03%
<b>Profit before extraordinary items and tax</b>	62.35	146.11	50.42
<i>As a % of Total Revenue</i>	2.76%	1.97%	0.97%
Extraordinary Items	0	0	-
<b>Profit before Tax</b>	62.35	146.11	50.42
<b>PBT Margin</b>	2.76%	1.97%	0.97%
Tax Expense:			
i. Current Tax	16.21	44.76	15.03
ii. Short / (Excess) provision		0	-
iii. Deferred Tax	1.6	3.53	1.91
<b>Profit for the year/period</b>	47.74	104.88	37.31
Exceptional Item	0	0	-
<b>Net Profit</b>	47.74	104.88	37.31
<b>PAT Margin %</b>	2.11%	1.42%	0.71%

### COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2022 WITH FINANCIAL YEAR ENDED MARCH 31, 2021

#### INCOME

##### Income from Operations

(Rs. In Lacs)

Particulars	2021-22	2020-21	Variance In %
Revenue from Operations	7403.78	5103.89	45.06%

The operating income of the Company for the year ending March 31, 2022 is Rs. 7403.78 lakhs as compared to Rs. 5103.89 lakhs for the year ending March 31, 2021, showing an Increase of 45.06%, and such increase is due to increase in volume of our sales.

##### Other Income

Our other income increased from Rs. 1.72 Lacs to Rs. 3.81 lacs. This was primarily due to Increase in Discount, Interest Income etc.

**Cost of Material Consumed and Employee Benefit Expenses**
**(Rs. In Lacs)**

Particulars	2021-22	2020-21	Variance In %
Employee Benefit Expenses	148.15	114.78	29.07%
Cost of Material Consumed	6391.49	4335.60	47.42%

There is 29.07% increase in employee benefit expenses from Rs. 114.78 lacs in financial year 2020-21 to Rs. 148.15 lacs in financial year 2021-22 which is due to increase in staff and salary & wages. Our Cost of material Consumed have increased by 47.42% from Rs. 4334.60 lacs in financial year 2020-21 to Rs. 6391.49 lacs in financial year 2021-22. The increase is in line with increase in sales volume.

**Finance Cost**

Finance Cost for the Financial Year 2021-2022 have decreased to Rs. 54.01 lacs as compared to Rs. 58.41 lacs for the Financial Year 2020-2021. The Decrease in Finance Cost was majorly due to decrease in Borrowings.

**Depreciation**

Depreciation expenses for the Financial Year 2021-2022 have increased to Rs. 111.07 lacs as compared to Rs. 57.75 lacs for the Financial Year 2020-2021. The increase in depreciation was majorly due to Increase in value of tangible assets.

**Profit Before Tax**
**(Rs. In Lacs)**

Particulars	2021-22	2020-21	Variance In %
Profit Before Tax	146.11	50.42	189.79%

Profit before tax increased by 189.79% from Rs. 50.42 lacs in financial year 2020-21 to Rs. 146.11 lacs in financial year 2021-22.

**Provision for Tax and Net Profit**
**(Rs. In Lacs)**

Particulars	2021-22	2020-21	Variance In %
Taxation Expense	41.23	13.11	214.49%
Profit After Tax	104.88	37.31	181.10%

Our profit after tax increased by 181.10% from Rs. 37.31 lacs in financial year 2020-21 to Rs. 104.88 lacs in financial year 2021-22. This increment was in line with increase in revenue.

## SECTION VII - LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND OTHER DEFAULTS

*Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There is no outstanding litigation which has been considered material in accordance with our Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Letter of Offer. However, solely for the purpose of the Issue, the following outstanding litigations have been disclosed in this section of this Letter of Offer, to the extent applicable: any outstanding civil litigation, including tax litigation, involving our Company, where the amount involved is where the amount involved is 20% of Turnover or Net Worth of the Company for the immediately preceding financial year ("**Materiality Threshold**") or above.*

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

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

#### LITIGATIONS INVOLVING OUR COMPANY

##### LITIGATIONS AGAINST OUR COMPANY

**Criminal proceeding against our Company**

Nil

**Action and Proceeding initiated by Statutory/Regulatory Authority including economic offences against our Company**

Nil

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

Nil

##### LITIGATIONS BY OUR COMPANY

**Criminal proceeding by our Company**

Nil

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

Plaintiff	Defendants	Case Details	Claim Amount	status
Ajooni Biotech Private Limited	Shashi Kala Proprietor of Shree Ram Traders, Nagaur	Case Type: N.I Act - 138 NIA Act; Filing Number: 1223/2017; Filing Date: 15-07-2017; Registration No.: 585/2017;	Rs. 16.51 Lacs	Appearance
Ajooni Biotech Limited	1) Maruti Trading Company 2) RadheShyamChouha 3) Narendra	Case Type: N.I Act - 138 NIA Act; Filing Number: 1288/2019; Filing Date: 14-05-2019; Registration No.: 419/2019;	Rs. 2.80 lacs	Appearance
Ajooni Biotech Limited	1) Shree Bala Ji Feed Store 2) Manoj Kumar	Case Type: CM - Civil Miscellaneous Application Filing Number: 710/2019; Filing Date: 10-04-2019; Registration No.: 269/2019;	Rs. 2.10 lacs	Appearance
Ajooni Biotech Limited	M/s. Shri Krishna Trading Company	Case Type: CS- Civil Suit Filing Number: 1463/2018; Filing Date: 12-11-2018; Registration No.: 769/2018;	Rs. 2.42 lacs	Appearance
Ajooni Biotech Limited	1) M/s. Shri Krishna Trading Company 2) Vinod Kumar 3) Rishi Pal Panwar	Case Type: CRM- Criminal Miscellaneous Application Filing Number: 1028/2021; Filing Date: 12-03-2021; Registration No.: 339/2021;	Rs. 44.24 lacs	Appearance
Ajooni Biotech Limited	1) M/s. Balaji Trading	Case Type: CS- Civil Suit Filing Number: 731/2018;	Rs. 1.49 lacs	Appearance
Ajooni Biotech Limited	1) M/s. Nitin Associates	Case Type: Execution Filing Number: 1427/2021; Filing Date: 18-11-2021; Registration No.: 147/2021;	Rs. 1.44 lacs	Appearance

**LITIGATIONS INVOLVING OUR DIRECTORS**

**LITIGATIONS AGAINST OUR DIRECTORS**

**Criminal Proceeding involving moral turpitude against our Directors**

Nil



**Action and Proceeding initiated by Statutory/Regulatory Authority against of our Directors**

Nil

**Other Proceeding against our Directors**

Nil

**LITIGATIONS BY OUR DIRECTORS**

**Criminal proceeding by our Directors**

Nil

**Other Proceeding by our Directors**

Nil

**LITIGATIONS INVOLVING OUR PROMOTERS**

**LITIGATIONS AGAINST OUR PROMOTERS**

**Criminal proceeding involving moral turpitude against our Promoters**

Nil

**Action and Proceeding initiated by Statutory/Regulatory Authority against of our Promoters**

Nil

**LITIGATIONS BY OUR PROMOTERS**

**Criminal proceeding by our Promoters**

Nil

**Other Proceeding by our Promoters**

Nil

**LITIGATIONS INVOLVING SUBSIDIARY COMPANIES**

**LITIGATIONS AGAINST SUBSIDIARY COMPANIES**

**Criminal proceeding against our Subsidiary Companies**

Nil

**Action and Proceeding initiated by Statutory/Regulatory Authority against of our Subsidiary Companies**

Nil

**Other Proceeding against our Subsidiary Companies**

Nil

**LITIGATIONS BY SUBSIDIARY COMPANIES****Criminal proceeding by our Subsidiary Companies**

Nil

**Other Proceeding by our Subsidiary Companies**

Nil

**REVENUE MATTERS:**

Nil

**DISCLOSURES PERTAINING TO WILFUL DEFAULTERS OR FRAUDULENT BORROWERS**

Neither our Company, our Promoters, our Directors are or have been classified as a willful defaulter or fraudulent borrower by a bank or financial institution or a consortium thereof in accordance with the guidelines on willful defaulters or fraudulent borrower issued by RBI.

**AMOUNT DUE TO MSME**

There is no pending dues to one MSME supplier for more than 30 (thirty) days.



## **GOVERNMENT AND OTHER STATUTORY APPROVALS**

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

In addition, as on the date of the Letter of Offer, there are no pending regulatory and government approvals and no pending renewals of licenses or approvals in relation to the activities presently undertaken by us or in relation to the Issue.

However, going forward, we may require certain statutory and regulatory permits, licenses and approvals to operate our business and safety certificates registration certificates issued under various laws.

### **MATERIAL DEVELOPMENTS**

There have not arisen, since the date of the last financial statements disclosed in this Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. However, there has been sub division (face value split) from Rs. 10 per equity share to Rs. 2 per equity share on the record date of 7th October, 2022. Accordingly, the paid up of the Company stand modified from 10005582 Equity Share of Rs. 10 each to 50027910 Equity Share of Rs. 2 each.

**For further details, please refer to the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 104 of this Letter of Offer.**

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## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Issue has been authorised by a resolution of our Board of Directors passed at its meeting held on 17<sup>th</sup> October, 2022, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

Our Right issue Committee, in its meeting held on 21<sup>st</sup> October, 2022 has resolved to issue the Equity Shares to the Eligible Equity Shareholders, at Rs. 6 per Equity Share aggregating up to Rs. 2,901.62 Lakhs. The Issue Price is Rs. 6 per Equity Share including a premium of Rs. 4 per Equity Share has been arrived at by our Company prior to determination of the Record Date.

Our Company has received in-principle approval from NSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be Allotted in this Issue pursuant to its letter dated 3<sup>rd</sup> November, 2022, respectively. Our Company will also make application to NSE to obtain its trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN INE820Y20013 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "*Terms of the Issue*" beginning on page 122 of this Letter of Offer.

### Prohibition by SEBI

Our Company, our Promoter, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None our Directors or Promoter is associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

### Prohibition by RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

### Eligibility for this Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the NSE. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.



### **Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations**

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made application to the Stock Exchange and has received its in-principle approval for listing of the Equity Shares to be issued pursuant to this Issue. NSE is the Designated Stock Exchange for the Issue.

### **Compliance with Part B of Schedule VI of the SEBI ICDR Regulations**

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the websites of NSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

### **Disclaimer from our Company, our Director(s)**

Our Company accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company, and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

### **Caution**

Our Company shall make all relevant information available to the Eligible Equity Shareholders in accordance with SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares

offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

#### **Disclaimer with respect to jurisdiction**

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Punjab, India only.

#### **Designated Stock Exchange**

The Designated Stock Exchange for the purpose of the Issue is NSE.

#### **Listing**

Our Company will apply to NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

#### **Disclaimer Clause of SEBI**

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is less than to Rs. 5000.00 lakhs.

#### **Disclaimer Clause of NSE**

As required, a copy of this Letter of Offer has been submitted to the NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Letter of Offer is set out below:

"National Stock Exchange of India Limited ("the Exchange") has given, vide its letter dated 3<sup>rd</sup> November, 2022 permission to this Company to use the Exchange's name in this Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the letter of offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

## **NO OFFER IN THE UNITED STATES**

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

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

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed “Overseas Shareholders” to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

## **NO OFFER IN ANY JURISDICTION OUTSIDE INDIA**

**NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE**

UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

### **Consents**

Consents in writing of our Directors, Legal Advisor, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

Our Company has received written consent dated 20<sup>th</sup> October, 2022 from our Statutory Auditor, for inclusion of their report, dated 9<sup>th</sup> May, 2022 on the Financial Information in this Letter of Offer and to include their name in this Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated 20<sup>th</sup> October, 2022 in the form and context in which it appears in this Letter of Offer. Such consent has not been withdrawn up to the date of this Letter of Offer.

### **Expert Opinion**

Our Company has received written consent dated 20<sup>th</sup> October, 2022 from our Statutory Auditor to include their name as required in this Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 on the Financial Information dated 9<sup>th</sup> May, 2022 and the Statement of Tax Benefits dated 20<sup>th</sup> October, 2022 and such consent has not been withdrawn as of the date of this Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, provided by our Auditors, our Company has not obtained any expert opinions.

### **Performance vis-à-vis objects - Public/Rights Issue of our Company**

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Letter of Offer except that the Company has made its Initial Public Offer vide prospectus dated 6<sup>th</sup> December, 2017 pursuant to which the Equity Shares of the Company got listed at NSE and wherein our Company has achieved the objects in its previous issues.

### **Filing**

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

### **Mechanism for Redressal of Investor Grievances**

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required

by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights Our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre Issue or post Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" beginning on page 122. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

#### Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue at:

##### Registrar to the Issue

**CAMEO CORPORATE SERVICES LTD.**

Submaramanian Building,,

1 Club House Road, Chennai 600 002

Tel No.: +044-40020700 (5 lines)

Website: [www.cameoindia.com](http://www.cameoindia.com) / <https://rights.cameoindia.com/ajooni>

E-mail Id: [priya@cameoindia.com](mailto:priya@cameoindia.com)

Investor Grievance Email: [investor@cameoindia.com](mailto:investor@cameoindia.com)

Contact Person: Ms. K. Sreepriya

SEBI Registration No: INR000003753

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue/post- Issue related matter such as non-receipt of letter of Allotment, credit of Rights Equity Shares, refund and such other matters. The contact details of the Compliance Officer are as follows:

##### Company Secretary and Compliance Officer

**Mrs. Swati Vijan**

D-118, Industrial Area,

Phase-7, Mohali

Punjab - 160055

Tel:+ 0712-5020761

Email: [cs@ajoonibiotech.com](mailto:cs@ajoonibiotech.com)

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



Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

### **Status of Complaints**

- i. Total number of complaints received during Fiscal 2020: Nil
- ii. Total number of complaints received during Fiscal 2021: Nil
- iii. Total number of complaints received during Fiscal 2022: Nil
- iv. Time normally taken for disposal of various types of investor complaints: 15 days
  - (a) Share transfer process: Within 15 days after receiving full set of documents
  - (b) Share transmission process: Within 21 days after receiving full set of documents
  - (c) Other Complaints: Within 15 days from the receipt of the complaint

### **Status of outstanding investor complaints**

As on the date of the LOF, there were Nil outstanding investor complaints.

### **Changes in Auditor during the last three years**

There has been change in the Auditors of the Company during the last three years.

### **Minimum Subscription**

The objects of the Issue are meeting the Working Capital Requirements and General Corporate Purpose, and do not involve financing of capital expenditure for a project.

Further, Promoter and members of the Promoter Group of our Company have, vide their letters dated 20<sup>th</sup> October, 2022 ("Subscription Letters") indicated their intention to subscribe, jointly and / or severally in part or to the full extent of their Rights Entitlement (including any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group of our Company).

Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Issue.

However, Our Promoter and members of the Promoter Group of our Company have, vide Subscription Letter have also indicated that they may renounce their Right Entitlements and that they reserve the right to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any), subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

Accordingly, in case, Our promoters and the promoter group of the issuer do not subscribe fully to their portion of rights entitlement (including any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group of our Company) and renounce their rights in part or in full, then in terms of Regulation 86 of the SEBI ICDR Regulations, our Company would require to achieve minimum subscription of at least 90% of the issue.

## SECTION VIII - ISSUE INFORMATION

### TERMS OF THE ISSUE

*This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Right Issue Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.*

*This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice.*

### DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- (i) Our Company at [www.ajoonibiotech.com](http://www.ajoonibiotech.com);
- (ii) The Registrar at <https://rights.cameoindia.com/ajooni>;
- (iii) The Stock Exchange at [www.nseindia.com](http://www.nseindia.com); and

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar ((i.e., Cameo Corporate Services Limited at <https://rights.cameoindia.com/ajooni>) by entering their DP ID and Client ID or Folio Number (for Eligible

Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, [www.ajoonibiotech.com](http://www.ajoonibiotech.com)).

**Please note that neither our Company nor the Registrar shall be responsible for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.**

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

#### **PROCESS OF MAKING AN APPLICATION IN THE ISSUE**

**In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Shareholders desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Shareholders should carefully read the provisions applicable to such Applications before making their Application through ASBA.**

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB)

authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, titled “Procedure for Application through the ASBA Process” on page 123.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

**Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details refer “Grounds for Technical Rejection” 131. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, refer chapter titled “Application on Plain Paper under ASBA process”.

#### **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- a) apply for its Equity Shares to the full extent of its Rights Entitlements; or
- b) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- c) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- d) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- e) renounce its Rights Entitlements in full.

#### **Making of an Application through the ASBA process**

A Shareholders, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Shareholders desiring to make an

Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=34>.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

**Do's for Shareholders applying through ASBA:**

- a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.



**Don'ts for Shareholders applying through ASBA:**

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- d) Do not submit Application Form using third party ASBA account.

**Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- (a) Name of our Company, being Ajooni Biotech Limited;
- (b) Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- (c) Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
- (d) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
- (e) Number of Equity Shares held as on Record Date;
- (f) Allotment option - only dematerialised form;
- (g) Number of Equity Shares entitled to;
- (h) Number of Equity Shares applied for within the Rights Entitlements;
- (i) Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- (j) Total number of Equity Shares applied for;
- (k) Total amount paid at the rate of Rs. 6 per Equity Share;
- (l) Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;

- (m) In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- (n) Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- (o) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- (p) All such Eligible Equity Shareholders are deemed to have accepted the following:

*"I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.*

*I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.*

*I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a "U.S. Person" as defined in ("Regulations"), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulations.*

*I/ We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements. "*

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, and the Registrar not having any liability to the Shareholders. The plain paper Application format will be available on the website of the Registrar at <https://rights.cameoindia.com/ajooni>.

Our Company, and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders' ASBA Accounts on or before the Issue Closing Date.

#### **Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date; Alternatively they can upload the above mentioned documents in the investor portal of the Registrar to the issue at <https://rights.cameoindia.com/ajooni>
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The remaining procedure for Application shall be same as set out in "- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process" mentioned above.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

#### ***Application for Additional Equity Shares***

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "- Basis of Allotment" mentioned below.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares.** Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

#### ***Additional general instructions for Shareholders in relation to making of an application***

- i) Please read this Letter of offer carefully to understand the Application process and applicable settlement process.
- ii) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

- iii) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" mentioned above.
- iv) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- v) Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- vi) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Shareholders for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.
- vii) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar shall be liable to compensate the Shareholders for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**
- viii) By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- ix) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the SCSB.
- x) Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be

- rejected. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- xi) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
  - xii) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
  - xiii) Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
  - xiv) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
  - xv) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
  - xvi) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
  - xvii) Do not pay the Application Money in cash, by money order, pay order or postal order.
  - xviii) Do not submit multiple Applications.
  - xix) No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
  - xx) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

### **Grounds for Technical Rejection**

#### ***Applications made in this Issue are liable to be rejected on the following grounds:***

- i) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar/Depositories.
- ii) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar/Depositories.
- iii) Sending an Application to our Company, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- iv) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- v) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.



- vi) Account holder not signing the Application or declaration mentioned therein.
- vii) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- viii) Multiple Application Forms, including cases where an Shareholders submits Application Forms along with a plain paper Application.
- ix) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- x) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- xi) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- xii) Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and this Letter of offer.
- xiii) Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable.
- xiv) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand s.
- xv) If an Shareholders is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Shareholders to subscribe to their Rights Entitlements.
- xvi) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- xvii) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- xviii) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).
- xix) Applications supported by amounts blocked from a third party bank account.

Applications by non-resident Shareholders.

- a. Payment from third party bank accounts.

**Multiple Applications**

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "- Procedure for Applications by Mutual Funds" mentioned below.



In cases where Multiple Application Forms are submitted, including cases where (a) a Shareholders submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected.

## **Procedure for Applications by certain categories of Shareholders**

### ***Procedure for Applications by FPIs***

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its Shareholders group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. Such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre - approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

### ***Procedure for Applications by AIFs, FVCIs, VCFs and FDI route***

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

#### ***Procedure for Applications by NRIs***

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Shareholders**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholders should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

#### ***Procedure for Applications by Mutual Funds***

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

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***Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")***

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

***Last date for Application***

The last date for submission of the duly filled in the Application Form or a plain paper Application is 15<sup>th</sup> December, 2022, *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in "*Basis of Allotment*" mentioned below.

Please note that on the Issue Closing Date, (Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

***Withdrawal of Application***

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post the Issue Closing Date.

***Disposal of Application and Application Money***

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Shareholders within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

## **CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS**

### **Rights Entitlements**

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, <https://rights.cameoindia.com/ajooni>.) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, [www.ajoonibiotech.com](http://www.ajoonibiotech.com)).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE820Y20013. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* <https://rights.cameoindia.com/ajooni>). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts

of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, **Ajooni Biotech Limited - Rights Issue Suspense Escrow Demat account**) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by 13<sup>th</sup> December, 2022 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

## **RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT**

### **Renounees**

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

### **Renunciation of Rights Entitlements**

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

### **Procedure for Renunciation of Rights Entitlements**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during

the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

**Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Shareholders.**

#### ***On Market Renunciation***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN INE820Y20013 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from 7<sup>th</sup> December, 2022 to 9<sup>th</sup> December, 2022 (both days inclusive).

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN INE820Y20013 and indicating the details of the Rights Entitlements they intend to trade.

The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.



## **Off Market Renunciation**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

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

The Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE820Y20013, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

## **MODE OF PAYMENT**

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Shareholders agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholder's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

### **Mode of payment for Resident Shareholders**

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

### **Mode of payment for Non-Resident Shareholders**

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

### **BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE**

The Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see "*The Issue*" beginning on mentioned above.

### **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 29 Rights Equity Shares for every 30 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 30 Equity Shares or is not in the multiple of 30 Equity Shares, the

fractional entitlements of such Eligible Equity Shareholders wherever it arises, shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 35 Equity Shares, such Equity Shareholder will be entitled to 33 Rights Equity Share and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Also, those Equity Shareholders holding less than 2 Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (One) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. Application Forms with zero entitlement will be non-negotiable/non-renounceable.

### **Ranking**

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

### **Listing and trading of the Equity Shares to be issued pursuant to this Issue**

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the NSE through letter bearing reference number NSE/LIST/33090 dated 3<sup>rd</sup> November, 2022. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on NSE (Scrip Code: AJOONI) under the ISIN: INE820Y01021. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

#### **Subscription to this Issue by our Promoter and members of the Promoter Group**

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see "*Capital Structure - Intention and extent of participation by our Promoter*" mentioned above.

#### **Rights of the Rights Equity Shareholder**

Subject to applicable laws, the Rights Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote in person or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right to free transferability of Rights Equity Shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act and Memorandum of Association and Articles of Association.

#### **General Terms of the Issue**

##### **Market Lot**

The Equity Shares of our Company are tradable only in dematerialised form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share.

##### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

##### **Nomination**

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholders holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

#### **Arrangements for Disposal of Odd Lots**

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be One Equity Share and hence, no arrangements for disposal of odd lots are required.

#### **Notices**

In accordance with the SEBI ICDR Regulations and the SEBI Right Issue Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation and one **Punjabi language national daily newspaper** with wide circulation being the **regional language of Punjab, where our Registered Office is situated.**

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

#### **Offer to Non-Resident Eligible Equity Shareholders/Shareholders**

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at Cameo Corporate Services Limited at [priya@cameoindia.com](mailto:priya@cameoindia.com) It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.



The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Shareholders being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by mail at [priya@cameoindia.com](mailto:priya@cameoindia.com).

#### **ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM**

**PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" AS MENTIONED ABOVE**

#### **Issue Schedule**

Credit of Rights entitlements	6 <sup>th</sup> December, 2022
Issue opening date	7 <sup>th</sup> December, 2022
Last Date of on Market Renunciation Of Rights Entitlements #	9 <sup>th</sup> December, 2022
Issue Closing Date*	15 <sup>th</sup> December, 2022
Finalisation Of Basis Of Allotment (On Or About)	20 <sup>th</sup> December, 2022
Date Of Allotment (On Or About)	21 <sup>st</sup> December, 2022
Date Of Credit (On Or About)	23 <sup>rd</sup> December, 2022
Date Of Listing (On Or About)	26 <sup>th</sup> December, 2022

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

\* Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the



*Issue Opening Date*). Further, no withdrawal of Application shall be permitted by any Applicant after the *Issue Closing Date*.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, 13<sup>th</sup> December, 2022 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, 14<sup>th</sup> December, 2022.

### **Basis of Allotment**

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be on equitable basis giving due regard to the holdings as on the record date and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

- i) The amount to be transferred from the ASBA Account to the separate bank account opened by our

- Company for this Issue, for each successful Application;
- ii) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- iii) The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank(s) to refund such Applicants.

#### **ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS**

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Shareholders who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

#### **PAYMENT OF REFUND**

##### **Mode of making refunds**

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

##### **Unblocking amounts blocked using ASBA facility.**

**NACH** - National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank

account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

**National Electronic Fund Transfer ("NEFT")** - Payment of refund shall be undertaken through NEFT wherever the Shareholders' bank has been assigned the Indian Financial System Code ("IFSC Code"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Shareholders have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Shareholders through this method.

**Direct Credit** - Shareholders having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company

**RTGS** - If the refund amount exceeds Rs. 2,00,000, the Shareholders have the option to receive refund through RTGS. Such eligible Shareholders who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Shareholder's bank receiving the credit would be borne by the Shareholders.

For all other Shareholders, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demands drawn in favour of the sole/first Shareholders and payable at par.

Credit of refunds to Shareholders in any other electronic manner, permissible by SEBI from time to time.

#### ***Refund payment to non-residents***

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

#### **ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES**

##### **Receipt of the Equity Shares in Dematerialized Form**

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

**PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.**

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement with NSDL and with CDSL which enables the Shareholders to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

**SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.**

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

- i) Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
- ii) It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.
- iii) The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Shareholder's depository participant, would rest with the Shareholders. Shareholders should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholder's depository participant.
- iv) If incomplete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.
- v) The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc.*). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.
- vi) Non-transferable Allotment advice/ refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.
- vii) Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

**IMPERSONATION**

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

*"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to Rs. 0.5 crore or with both.

#### **UTILISATION OF ISSUE PROCEEDS**

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

#### **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- i) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.
- iii) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Shareholders within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- v) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- vi) Adequate arrangements shall be made to collect all ASBA Applications.
- vii) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

## SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "Ajooni Biotech Limited - Right Issue" on the envelope and postmarked in India or in the e-mail) to the Registrar at the following address:

Cameo Corporate Services Limited  
Subramanian Building,  
No.1, Club House Road,  
Chennai 600 002 Tamil Nadu, India  
Tel No.: +044-40020700 (5 lines)

Website: [www.cameoindia.com](http://www.cameoindia.com) / <https://rights.cameoindia.com/ajooni>

E-mail Id: [priya@cameoindia.com](mailto:priya@cameoindia.com)

Investor Grievance Email: [investor@cameoindia.com](mailto:investor@cameoindia.com)

Contact Person: Ms. K. Sreepriya

SEBI Registration No: INR000003753

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar (i.e, Cameo Corporate Services Limited at <https://rights.cameoindia.com/ajooni>). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties faced by the investor is +91-44-40020710 / 0706 / 0741.

(i) The Shareholders can visit following links for the below-mentioned purposes:

4. Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: <https://rights.cameoindia.com/ajooni>).
5. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: <https://rights.cameoindia.com/ajooni>).
6. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: <https://rights.cameoindia.com/ajooni>).
7. Submission of Indian address by non-resident shareholders by way of email to [priya@cameoindia.com](mailto:priya@cameoindia.com).
8. Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: [priya@cameoindia.com](mailto:priya@cameoindia.com).





*Ajooni Biotech Limited*

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This Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("FDI") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("DPIIT"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("FDI Circular 2020"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI



Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.



### **STATUTORY AND OTHER INFORMATION**

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

## SECTION IX - OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

*The copies of the following documents and contracts referred to in para (A) have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer.*

*Copies of the above mentioned contracts and also the documents for inspection referred to in para (B), may be inspected at the Registered Office and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Letter of Offer until the closure of the subscription list.*

*Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.*

#### **A) MATERIAL CONTRACTS**

1. Agreement dated 18<sup>th</sup> October, 2022 between our Company and M/s Cameo Corporate Services Limited, Registrar to the Issue.
2. Tripartite Agreement between our Company, National Securities Depository Ltd. (NSDL) and Registrar to the Issue;
3. Tripartite Agreement between our Company, Central Depository Services (India) Limited (CDSL) and Registrar to the Issue;
4. Banker(s) to the Issue Agreement dated 21<sup>st</sup> November, 2022 amongst our Company and the Registrar to the Issue and the Escrow Collection Bank(s).

#### **(B) DOCUMENTS FOR INSPECTION**

5. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.
6. Certificate of incorporation dated 17<sup>th</sup> February, 2010.
7. Fresh certificate of incorporation dated 27<sup>th</sup> September, 2017 pursuant to the change of name from "Ajooni Biotech Private Limited" to "Ajooni Biotech Limited".
8. Copy of the resolution of the Board of Directors under Section 62 of the Companies Act passed in its meeting dated 17<sup>th</sup> October, 2022 authorizing the Issue.
9. Copy of the resolution passed by the Right Issue Committee dated 25<sup>th</sup> November, 2022 approving the letter of offer;
10. Resolution passed by the Right Issue Committee dated 21<sup>st</sup> November, 2022 determining the Record date.

11. Consents of the Directors, Company Secretary and Compliance Officer, Legal Advisors to the Issue, Statutory Auditor, and Registrar to the Issue to include their names in the Offer Document to act in their respective capacities;
12. Annual reports of our Company for the financial years ended March 31, 2020, 2021 and 2022.
13. Signed Audited Financial Statements for the Financial year ended March 31, 2022.
14. Unaudited Financial Results for the Six months ended September 30, 2022.
15. A statement of tax benefits dated 20<sup>th</sup> October, 2022 received from M/s Harjeet Parvesh & Company, Chartered Accountants, Statutory Auditor regarding tax benefits available to our Company and its shareholders.
16. Certificate dated 20<sup>th</sup> October, 2022 from M/s Harjeet Parvesh & Company, Chartered Accountants regarding “Sources & deployment of funds”.
17. In-principle listing approval(s) dated 3<sup>rd</sup> November, 2022 from National Stock Exchange of India Limited.

Any of the contracts or documents mentioned in the Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.



### DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

Name	Signature
<b>Mr. Jasjot Singh</b> Managing Director DIN: 01937631	Sd/-
<b>Mr. Partek Singh</b> Executive and Non Independent Director DIN: 07864006	Sd/-
<b>Mr. Gursimran Singh</b> Whole Time Director DIN: 02209675	Sd/-
<b>Mr. Imtешwar Singh Bhatia</b> Non Executive and Independent Director DIN: 07864007	Sd/-
<b>Ms. Simmi Chhabra</b> Non Executive and Independent Director DIN: 07870398	Sd/-
<b>Mr. Ramandeep Singh</b> Non Executive and Independent Director DIN: 07896086	Sd/-
<b>Mr. Jasjot Singh</b> Chief Financial Officer PAN: BDEPS5766D	Sd/-
<b>Mrs. Swati Vijan</b> Company Secretary and Compliance officer PAN: AKRPV6582D	Sd/-

**Place: Mohali, Punjab**

**Date: 25<sup>th</sup> November, 2022**