



ADD-SHOP E - RETAIL LTD.
World's Greatest Opportunity

Draft Letter of Offer
Dated: June 10, 2022
For Eligible Equity Shareholders Only

ADD-SHOP E-RETAIL LIMITED

Add-Shop ERetail Limited was originally incorporated on August 20, 2013 as “Add-Shop Promotions Private Limited” having its registered office at Shree Ashapura Complex, Shop No. 202, 2nd Floor, Opp. Ahya Commercial Centre, Gondal Road, Rajkot-36002, Gujarat, India, under the provisions of the Companies Act, 1956 bearing Certificate of Incorporation No. U51109GJ2013PTC076482 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on June 11, 2018 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Gujarat, Ahmedabad dated June 21, 2018 and name of our Company was changed to Add-Shop Promotions Limited and a fresh certificate of incorporation was issued bearing U51109GJ2013PLC076482. The name of the Company was further changed to Add-Shop ERetail Limited and a fresh certificate of Incorporation bearing CIN No. L51109GJ2013PLC076482 was issued by Registrar of Companies Ahmedabad, Gujarat

Registered & Corporate office: B-304 Imperial Height 1150ft Ring Road Rajkot-360005, Gujarat, India
Contact Person: Mr. Nirajkumar Malaviya, Company Secretary & Compliance Officer; **Tel No:** 0281-2580499
E-Mail ID: investor@addshop.co; **Website:** www.addshop.co; **CIN:** L51109GJ2013PLC076482

OUR PROMOTERS:

(I) MR. DINESHBHAI BHANUSHANKAR PANDYA (II) MRS. JAYSHREE DINESHBHAI PANDYA
(III) MR. JIGAR DINESHKUMAR PANDYA (IV) MR. DEV DINESHBHAI PANDYA (V) MS. DEVIBEN DINESHBHAI PANDYA
NEITHER OUR COMPANY OR ANY OF OUR PROMOTERS OR DIRECTORS ARE WILLFUL DEFAULTERS.

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY

THE ISSUE

ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10.00/- (RUPEES TEN ONLY) (“RIGHTS EQUITY SHARES”) EACH AT A PRICE OF ₹54/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹44/- PER EQUITY SHARE (“ISSUE PRICE”) FOR AN AMOUNT NOT EXCEEDING ₹49.50 CRORES ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS AS ON THE RECORD DATE, [●] (“THE ISSUE”). FOR FURTHER DETAILS, KINDLY REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE 118 OF THIS DRAFT LETTER OF OFFER.

WILFUL DEFAULTER OR A FRAUDULENT BORROWER

Neither our Company nor our Promoters or any of our Directors have been or are identified as Willful Defaulter and/or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Willful Defaulter(s) or Fraudulent Borrower(s) issued by the Reserve Bank of India.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer 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 this offering. For taking an investment decision, investors shall rely on their own examination of the issuer and the offer including the risks involved. The Right Equity Shares being offered in this 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 document. Specific attention of investors is invited to the statement of “Risk factors” beginning on page no. 20 of this Draft Letter of Offer.

ISSUER’S ABSOLUTE RESPONSIBILITY

The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to the issuer and the issue, which is material in the context of the issue, and that the information contained in the Draft 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 make this document 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 BSE Limited (“BSE”). Our Company has received “in-principle” approval from BSE for listing of the Rights Equity Shares to be allotted in this Issue pursuant to letter dated [●]. For the purpose of this issue, BSE shall be the Designated Stock Exchange.

LEAD MANAGER TO THE ISSUE

 **FINSHORE**
Creating Enterprise Managing Values
FINSHORE MANAGEMENT SERVICES LTD
Anandlok”, Block-A, 2nd Floor, Room No. 207, 227 A.J.C Bose Road,
Kolkata-700020, West Bengal
Telephone: 033 – 22895101
Email: ramakrishna@finshoregroup.com
Website: www.finshoregroup.com
Investor Grievance: info@finshoregroup.com
Contact Person: Mr. S. Ramakrishna Iyengar
SEBI Registration No: INM000012185
CIN No: U74900WB2011PLC169377

REGISTRAR TO THE ISSUE

 **CAMEO**
CAMEO CORPORATE SERVICES LTD
"Subramanian Building", No. 1, Club House Road, Chennai - 600 002, India
Tel No: +91-44-40020700
Fax: +91-44-28460129
Email: priya@cameoindia.com
Investor Grievance Email Id: investor@cameoindia.com
Contact Person: Ms. K Sreepriya
Website: www.cameoindia.com
SEBI Registration Number: INR000003753
CIN No: U67120TN1998PLC041613

ISSUE PROGRAMME*

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION**	ISSUE CLOSES ON***
[●], 2022	[●], 2022	[●], 2022

*Pursuant to the January 22 – Rights Issue Circular, SEBI has introduced the concept of credit of Rights Entitlements into the demat accounts of the Eligible Equity Shareholders, which can be renounced by them by way of On Market Renunciation or Off Market renunciation. Further, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made only in dematerialised form.

**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 Renouncees on or prior to the Issue Closing Date.

***Our Board or a duly authorised committee thereof will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 days from 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: DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the respective meanings given below. References to statutes, regulations, rules, guidelines and policies will be deemed to include all amendments and modifications thereto as amended from time to time.

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this Draft Letter of Offer, and references to any statute or regulations or policies will include any amendments or re-enactments thereto, from time to time.

General Terms

TERMS	DESCRIPTIONS
“Add-Shop E-Retail Limited”, “Add-Shop”, “ASRL” “The Company”, “Our Company”, or “Issuer”	Unless the context otherwise indicates or implies, “Add-Shop E-Retail Limited”, a public limited company incorporated under the provision of Companies Act, 1956 and having its Registered Office at B-304, Imperial Height, 1150 ft Ring Road, Rajkot, Gujarat-360005, India.
“We”, “Our”, or “us”	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries and Associates
Our Promoters or Promoters of the Company	The promoters of our company being (I) Mr. Dineshbhai Bhanushankar Pandya (II) Mrs. Jayshree Dineshbhai Pandya (III) Mr. Jigar Dineshkumar Pandya (IV) Mr. Dev Dineshbhai Pandya (V) Ms. Deviben Dineshbhai Pandya
Promoter Group	Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 and as disclosed by our Company to the Stock Exchange from time to time

Conventional Terms

TERMS	DESCRIPTIONS
ACIT	Assistant Commissioner of Income Tax.
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Air Act, 1981	Air (Prevention and Control of Pollution) Act, 1981.
Category I Foreign Portfolio Investor(s)	FPIs who are registered as “Category I foreign portfolio investor” under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	FPIs who are registered as “Category II foreign portfolio investor” under the SEBI FPI Regulations.
Category III Foreign Portfolio Investor(s)	FPIs who are registered as “Category III foreign portfolio investor” under the SEBI FPI Regulations.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made there under.
Companies Act/Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made there under.
Competition Act	The Competition Act, 2002.
Consolidated FDI Policy	Consolidation FDI Policy dated October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
CST Act	Central Sales Tax Act, 1956.
FCNR Account	Foreign currency non-resident account.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there under.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000.
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations.
Financial Year/ Fiscal/ Fiscal Year/F.Y.	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated.

TERMS	DESCRIPTIONS
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
Fugitive economic offender	“Fugitive economic offender” shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
Hazardous Waste Rules, 2008	Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008.
Income Tax Act or the I.T. Act	The Income Tax Act, 1961.
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016, as amended.
LLP Act	The Limited Liability Partnership Act, 2008.
Notified Sections	The sections of the Companies Act, 2013, that have been notified by the Government as having come into effect prior to the date of this Draft Letter of Offer.
NRE Account	Non-resident external account.
NRO Account	Non-resident ordinary account.
RBI Act	Reserve Bank of India Act, 1934.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
Securities Act	U.S. Securities Act of 1933, as amended.
State Government	The government of a state of the Union of India.
STT	Securities Transaction Tax.
Sub-account	Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporate or foreign individuals.
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations.
Water Act, 1974	Water (Prevention and Control of Pollution) Act, 1974.

Issue Related Terms

TERMS	DESCRIPTIONS
“Abridged Letter of Offer” or “ALOF”	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to this Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013.
“Allot”, “Allotment” or “Allotted”	Allotment of Rights Equity Shares pursuant to this Issue.
“Allotment Accounts”	The accounts opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account 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 Date”	Date on which the Allotment shall be made pursuant to this Issue.
“Allottee(s)”	Person(s) who shall be Allotted Rights Equity Shares pursuant to the Allotment.
“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.

TERMS	DESCRIPTIONS
“Application Form”	The form used by an Investor to make an application for the Allotment of Rights Equity Shares in the Issue.
“Applicant(s)” or “Investor(s)”	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to this Issue in terms of this Draft Letter of Offer.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allot/Allotment/Allotted of Equity Shares	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Application Form	The form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of this Draft Letter of Offer.
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid authorizing a SCSB to block the Bid Amount in the ASBA Account.
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by Applicants for blocking the Bid Amount mentioned in the ASBA Form
ASBA Applicant(s)	Any prospective investors in this Issue who apply for Equity Shares of our Company through the ASBA process in terms of this Draft Letter of Offer.
ASBA Forms	An application form, whether physical or electronic, used by ASBA Applicants, which will be considered as the application for Allotment in terms of the Draft Letter of Offer.
ASBA Application Location(s)/Specified Cities	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on www.sebi.gov.in/pmd/scsb.pdf
Banker to the Issue	Bank which are clearing members and registered with SEBI as banker to an issue and with whom the Rights Issue Account will be opened, in this case being “ [●] Bank Limited ”
Banker to the Issue Agreement	Agreement dated [●], 2022 entered into amongst the Company, Lead Manager, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under the Issue, as described in the Section “ Terms of the Issue ” beginning on page no. 118 of this Draft Letter of Offer.
Business Day	Monday to Saturday (except 2 nd & 4 th Saturday of a month and public holidays).
BSE	BSE Limited
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collection Centers	Centers at which the Designated Intermediaries shall accept the ASBA Forms.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Controlling Branches of SCSBs	Such branches of the SCSBs which coordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.

TERMS	DESCRIPTIONS
Depository/Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, being NSDL and CDSL.
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1966.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e., www.bseindia.com
Designated Date	The date on which the funds are transferred by the Escrow Collection Bank from the Escrow Account(s) or the instructions are given to the SCSBs to unblock the ASBA Accounts including the accounts linked with UPI ID and transfer the amounts blocked by SCSBs as the case may be, to the Rights Issue Account, as appropriate in terms of the Draft Letter of Offer and the aforesaid transfer and instructions shall be issued only after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediaries/Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e., www.bseindia.com
Designated Stock Exchange	BSE Limited
DP	Depository Participant.
DP ID	Depository Participant's Identity number.
Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this Draft Letter of Offer constitutes an invitation to subscribe for the Equity Shares Issued herein on the basis of the terms thereof.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Draft Letter of Offer constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Equity Shares	Equity Shares of our Company of face value ₹10/- each.
FII/Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
Issue/Rights Issue/Issue Size Rights Issue	Rights Issue of [●] Equity Shares of face value of ₹10/- each of our Company for cash at a price of ₹54/- per Equity Share (including a share premium of ₹44/- per Equity Share) aggregating to ₹49.50 Crores by our Company, in terms of this Draft Letter of Offer.
Issue Agreement	The Issue Agreement dated June 9, 2022 between our Company and Lead Manager.

TERMS	DESCRIPTIONS
Issue Closing Date	The date on which Issue Closes for Subscription.
Issue Opening Date	The date on which Issue Opens for Subscription.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which prospective Investors may submit their application.
Issue Price	The price at which the Equity Shares are being issued by our Company being ₹54/- per Equity Share. Investors will have to pay the entire offer price i.e. ₹54/- per Rights Equity Share at the time of Application.
Issue Proceeds	The proceeds of the Issue that are available to our company.
Lead Manager/LM	Finshore Management Services Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the BSE Limited.
Mutual Fund(s)	Mutual fund (s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
NPCI	National Payments Corporation of India (NPCI), a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA)
Overseas Corporate Body/OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Other Investors	Investors other than Retail Individual Investors. These include individual Applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust, or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Rights Issue Account	The Bank Account opened with the Banker(s) to this Issue under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Accounts on the Designated Date.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Registered Brokers	Stockbrokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Registrar of Company/ Registrar to this Issue	Registrar of the company is " <i>Cameo Corporate Services Limited</i> ".
Registrar Agreement	The agreement dated June 10, 2022 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Reserved Category(ies)	Categories of persons eligible for making application under reservation portion.
Retail Individual Investors/ RIIs	Applicants or minors applying through their natural guardians, (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to ₹ 2 Lakh in this Issue.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable.
Self-Certified Syndicate	Banks registered with SEBI, Issuing Services in relation to ASBA, a list of which is available on the website of SEBI at

TERMS	DESCRIPTIONS
Bank(s) or SCSB(s)	https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35 , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=40 or such other website as updated from time to time.
Specified Locations	Collection Centers where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.
SEBI (ICDR) Regulations / ICDR Regulation / Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR)	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015/ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2020 and as amended thereto, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
Transaction Registration Slip /TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the applicants, as proof of registration of the Application
UPI	Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Days	“working day” means all days on which commercial banks in the city as specified in the offer document are open for business. However, till issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the offer document are open for business. The time period between the bid/issue closing date and the listing of the specified securities on the stock exchanges, working day shall mean all trading days of the stock exchanges, excluding Sundays and bank holidays, as per circulars issued by the Board, as per the SEBI Circular No. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and in terms of regulation 2(1)(mmm) of SEBI ICDR Regulations 2018.

Company Related Terms

TERMS	DESCRIPTIONS
“Articles” or “Articles of Association” or “AOA”	The Articles of Association of our Company, as amended from time to time.
Auditor / Statutory Auditor	The Statutory Auditors of our Company, being “ M/s. J. S Maheshwari & Co. ” Chartered Accountants having its office at 205, Solitiare, Opp. Bombay Garage, Near under bridge, Shahibaug, Ahmedabad-380004



TERMS	DESCRIPTIONS
Audit Committee	Audit Committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed by our Company to the Stock Exchange from time to time.
“Board of Director(s)” or “the/our Board”	Unless otherwise specified, The Board of Directors of our Company, as duly constituted from time to time, including any committee(s) thereof.
“CFO” or Chief Financial Officer	The Chief Financial Officer of our company being “ Mr. Dev Dineshbhai Pandya ”.
CIN	Corporate Identification Number being L51109GJ2013PLC076482
Companies Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary & Compliance Officer	The Company Secretary & Compliance Officer of our company being “ Mr. Nirajkumar Kishorbhai Malaviya ”.
Corporate Social Responsibility committee	Corporate Social Responsibility committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed by our Company to the Stock Exchange from time to time.
DIN	Directors Identification Number.
Director/Director(s)	The directors of our Company, unless otherwise specified
E-Commerce	E-Commerce refers to the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions
ED	Executive Director
Equity Shares	The Equity Shares of our Company of face value of ₹10/- each, fully paid-up, unless otherwise specified in the context thereof.
Equity Shareholders	Persons/Entities holding Equity Shares of our Company.
Export	Export means taking goods out of India to a place outside India
Group Companies/Entities	Such companies with which there were related party transactions, during the period for which financial information is disclosed in this Draft Letter of Offer, which are covered under the applicable accounting standards and other companies as considered material by our Board, as identified in “Our Group Companies”
HUF	Hindu Undivided Family.
IBC	The Insolvency and Bankruptcy Code, 2016
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standard
Ind GAAP	Generally Accepted Accounting Principles in India.
Import	Import means bringing goods into India from a place outside India
Independent Director	Non-executive & Independent Director as per the Companies Act, 2013
IT Act	The Income Tax Act, 1961 as amended till date
JV / Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
ISIN	International Securities Identification Number In this case being “INE01B501018”
KMP / Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations 2018, Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “ Our Management ” beginning on page no. 63 of this Draft Letter of Offer.
MD	Managing Director
Materiality Policy	A policy adopted by our Company for identification of material litigation(s) for the purpose of disclosure of the same in this Draft Letter of Offer.
Memorandum/Memorandum of Association/MoA	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	Nomination and Remuneration committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed by our Company to the Stock Exchange from time to time.
Non-Residents	A person resident outside India, as defined under FEMA Regulations, 2000
“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

TERMS	DESCRIPTIONS
	the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●] 2022.
“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.
Promoters	Shall mean promoters of our Company as mentioned in this Draft Letter of Offer.
“Record Date”	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●] 2022.
Registered & Corporate Office	Registered & Corporate Office of the Company is presently situated at B-304, Imperial Height, 1150ft Ring Road, Rajkot- 360005, Gujarat
“Renouncee(s)”	Any person(s) who, not being the original recipient has/have acquired the Rights Entitlement, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars.
“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 [●], 2022 in case of On 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.
“Rights Entitlements” / “Res”	The right to apply for the Rights Equity Shares, being offered by way of this Issue, by an Investor, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, in this case being [●] Rights Equity Share for every [●] Equity Shares held by an Eligible Equity Shareholder, on the Record Date.
“Rights Entitlement Letter”	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
“Rights Equity Shareholders”	A holder of the Rights Equity Shareholders, from time to time.
“Rights Equity Shares”	Equity shares of our Company to be Allotted pursuant to this Issue, on partly paid-up basis on Allotment.
RoC/Registrar of Companies	The Registrar of Companies, Ahmedabad, Gujarat, India.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
Shareholders	Shareholders of our Company
Subscriber to MOA / Initial Promoters	Initial Subscriber to MOA
WTD	Whole Time Director
Willful Defaulter(s) or a Fraudulent Borrower (s)	A person or an issuer who or which is categorized as a willful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters or a fraudulent borrower issued by the Reserve Bank of India, as defined under Regulation 2(1)(III) of SEBI ICDR Regulations 2018.

Technical and Industry related terms

TERMS	DESCRIPTIONS
ASSOCHAM	Associated Chambers of Commerce of India
AYUSH	Ayurveda, Yoga, Unani, Siddha and Homoeopathy
CAGR	Compounding Annual Growth Rate
CPI	Consumer Price Index
CSO	Central Statistics Office’s
DIPP	Department of Industries Policy and Promotion
EPFO	Employees’ Provident Fund Organisation
ESI	Employee State Insurance
EU	European Union
FCNR	Foreign Currency Non-Resident

FDI	Foreign Direct Investment
FY	Financial Year
GDP	Gross Domestic Product
GST	Goods and Service Tax
GVA	Gross Value Added
G-sec	Government Securities
IBEF	Indian Brand Equity Foundation
IMF	International Monetary Fund
INR	Indian Rupee Rates
JCI	Joint Commission International
MNC	Multinational Corporation
MOU	Memorandum of Understanding
MSMEs	Micro, Small and Medium Enterprises
MVC	Model View Controller
MYEA	Mid-Year Economic Analysis
NABH	National Accreditation Board for Hospitals & Healthcare Providers
NIA	National Institute of Ayurveda
NITI Aayog	National Institution for transforming India
NMP	National Manufacturing Policy
OMR	Optical Marking Recognition
OSA	Out Sourcing Agent
PMA	Preferential Market Access
PSUs	Private Sector Units
RIMS	Records and Information Management Services
RBI	Reserve Bank of India
RTD	Ready to Drink Beverages
SEZ	Special Economic Zone
TFA	Trade Facilitation Agreement
US	United States
WPI	Wholesale Price Index

Abbreviations

TERMS	DESCRIPTIONS
₹ or ₹ or Rupees or INR	Indian Rupees.
AGM	Annual General Meeting.
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India.
A.Y.	Assessment year.
BC	Before Christ.
BPLR	Bank Prime Lending Rate.
BSE	BSE Limited.
CARO	Companies (Auditor's Report) Order, 2003.
CDSL	Central Depository Services (India) Limited.
CEO	Chief Executive Officer.
CIN	Corporate Identity Number.
CLB	Company Law Board.
CrPC	Criminal Procedure Code, 1973, as amended.
CSR	Corporate Social Responsibility.
DIN	Director Identification Number.
DP ID	Depository participant's identification.
ECS	Electronic Clearing System.
EBITDA	Earnings before Interest, Tax Depreciation and Amortisation.
EGM	Extraordinary General Meeting of the Shareholders of the Company.
EPS	Earnings Per Share.
ESOS	Employee Stock Option Scheme.
FDI	Foreign direct investment.
FIPB	Foreign Investment Promotion Board.

TERMS	DESCRIPTIONS
GAAR	General anti avoidance rules.
GBP	Great Britain Pound.
GIR	General index register.
GoI/Government	Government of India.
GST	Goods & Service Tax
HNI	High Net Worth Individual.
HUF	Hindu Undivided Family.
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISO	International Organization for Standardization.
IT Act	The Income Tax Act, 1961, as amended.
IT Rules	The Income Tax Rules, 1962, as amended.
JV	Joint Venture.
MCA	Ministry of Corporate Affairs, Government of India.
MoU	Memorandum of Understanding.
N.A.	Not Applicable.
NAV/Net Asset Value	Net asset value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of profit and loss account, divided by number of issued Equity Shares.
NECS	National Electronic Clearing Services.
NEFT	National Electronic Fund Transfer.
NoC	No Objection Certificate.
No.	Number.
NR	Non-Resident.
NSDL	National Securities Depository Limited.
NTA	Net Tangible Assets.
p.a.	Per annum.
PAN	Permanent Account Number.
PAT	Profit After Tax.
PBT	Profit Before Tax.
PCB	Pollution Control Board.
P/E Ratio	Price per Earnings Ratio.
Pvt.	Private.
RBI	Reserve Bank of India.
RoC	Registrar of Companies.
RONW	Return on Net Worth.
RTGS	Real Time Gross Settlement.
SCN	Show Cause Notice.
SCSB	Self-Certified Syndicate Bank.
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
UIN	Unique Identification Number.
US	United States.
VAT	Value Added Tax.
w.e.f.	With effect from
YoY	Year on Year.

The words and expressions used but not defined in this Draft Letter of Offer will have the same meaning as assigned to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder.

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlements Letter and any other Issue material and the issue of Rights Entitlements and the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlements Letter may come, are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Abridged Letter of Offer, Application Form, Rights Entitlements Letter and other Issue material (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company; (iii) physical delivery only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of the foreign corporate or institutional shareholders.

The Letter of Offer will also be provided by our Company to any existing Shareholder who makes a request in this regard.

Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, the Stock Exchange.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer has been filed with the BSE for observation. Accordingly, this Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form or any Issue materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in or into any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction and the Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdictions 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 Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. Accordingly, persons receiving a copy of this Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlements 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 or the Lead Managers or their respective affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlements 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 subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form.

Any person who makes an application to acquire Rights Entitlements and 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 and the Rights 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 or the Lead Managers or its affiliates to make any filing or registration (other than in India).

Our Company, the Registrar, the Lead Manager 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 Draft Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER AND ABRIDGED LETTER OF OFFER SHOULD NOT BE CONSTRUED AS BUSINESS, FINANCIAL, 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 OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF THE RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGERS ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Equity Shares or Rights Entitlements have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Draft Letter of Offer, Letter of Offer and the CAF. Any representation to the contrary is a criminal offence in the United States. The rights and securities of the Company, including the Rights Equity Shares and Right Entitlements have not been and will not be registered under the United States Securities Act, 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 or the territories or possessions thereof (the “**United States**” or “**U.S.**”) or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act (“**Regulation S**”), except in a transaction exempt from the registration requirements of the U.S. Securities Act. The Rights Equity Share referred to in this Draft Letter of Offer are being offered in India, but not in the United States. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights 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 or rights. Accordingly, this Draft Letter of Offer/ Abridged Letter of Offer and the enclosed CAF 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, either a U.S. person (as defined in Regulation S) or otherwise in the United States when the buy order is made. No application form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer, and all persons subscribing for the Rights Shares and wishing to hold such Rights Shares in registered form must provide an address for registration of the Rights Shares in India. Our Company is making this issue of Rights Equity Shares on a rights basis to the eligible equity shareholders and the Letter of Offer/Abridged Letter of Offer and CAF will be dispatched to (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid e-mail address to our Company; (iii) physical delivery only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders.

Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company and the Lead Manager are not making, and will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Rights Equity Shares or any other security with respect to this Issue in the United States.

Our Company, in consultation with the Lead Manager, 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 of America, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes that the Application Form is incomplete or the 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 issue or allot any Rights Equity Shares in respect of any such Application Form. Rights Entitlement may not be transferred or sold to any person in the United States of America.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur



after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

CERTAIN CONVENTIONS, USE OF FINANCIAL INDUSTRY & MARKET DATA, AND CURRENCY PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to “India” in this Draft Letter of Offer are to the Republic of India.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

In this Draft Letter of Offer, the terms “we”, “us”, “our”, “the Company”, “our Company”, “Issuer”, “Issuer Company”, “ASRL” and “Add-Shop” unless the context otherwise indicates or implies, refers to “Add-Shop E-Retail Limited”.

In this Draft Letter of Offer, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lacs / Lakhs”, the word “Crore” means “ten millions” and the word “billion (bn)” means “one hundred crores”. In this Draft Letter of Offer, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Financial Data

Unless stated otherwise, the financial information in this Draft Letter of Offer is extracted from the Audited Financial Statements of our Company for the financial Years ended March 31, 2022. These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory Accounting Standards (AS) as prescribed under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended 31st March of that year. In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

Unless otherwise indicated, any percentage amounts, as set forth in this Draft Letter of Offer, including in the Sections titled “*Risk Factors*”; “*Our Business*”; “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page no. **20**, **53**, and **106** respectively, have been calculated on the basis of the Audited Financial Statements of our Company included in this Draft Letter of Offer.

Currency and Units of Presentation

All references to “Rupees”, “Rs.”, “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “£” or “GBP” are to Great Britain Pound, the official currency of the United Kingdom. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America

Our Company has presented certain numerical information in this Draft Letter of Offer in “Lakh” units. One lakh represents 1,00,000. In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Letter of Offer has been derived from Ministry of Statistics and Programme Implementation (MOSPI), RBI, Press Information Bureau, Department of Industrial Policy & Promotion, India Brand Equity Foundation and industry publications etc. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, we believe that the industry and market data used in this Draft Letter of Offer is reliable, neither we nor the Lead Manager nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the Section titled “**Risk Factors**” beginning on page no. **20** of this Draft Letter of Offer. Accordingly, investment decisions should not be based on such information.

Exchange Rates

This Draft Letter of Offer may contain 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.

FORWARD LOOKING STATEMENT

The Company has included statements in this Draft Letter of Offer which contain words or phrases such as “may”, “will”, “aim”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “potential” and similar expressions or variations of such expressions, that are or may be deemed to be forward looking statements.

All statements regarding the expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to the business strategy, the revenue, profitability, planned initiatives. These forward-looking statements and any other projections contained in this Draft Letter of Offer (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements 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, performance or achievements to differ materially include, but are not limited to, those discussed under the Section titled “**Risk Factors**”; “**Industry Overview**”; “**Our Business**”; and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**”; beginning on page no. **20, 43, 53** and **106**, respectively, of this Draft Letter of Offer.

The forward-looking statements contained in this Draft Letter of Offer are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although 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. If any of these risks and uncertainties materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Certain important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Uncertainty of the continuing impact of Covid-2019 on our financial conditions and operations
- General economic and business conditions in India and other countries;
- Increase in price and material components
- Fluctuation in other operating cost
- Ability to retain the customers is heavily dependent upon various factors including our reputation and our ability to maintain a high level of product/Service quality including our satisfactory performance for the customers;
- We operate in a significantly fragmented and competitive market in each of our business segments;
- Regulatory changes relating to the finance and capital market sectors in India and our ability to respond to them;
- Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our business activities or investments;
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Changes in the value of the Rupee and other currencies;
- The occurrence of natural disasters or calamities; and

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Our Company, the Lead Manager, or their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors are informed of material developments until the time of the grant of final listing and trading permissions with respect to Equity Shares being issued in this Issue, by the Stock Exchanges. Our Company will ensure that investors are informed of material developments in relation to statements about our Company in this Draft Letter of Offer until the Equity Shares are allotted to the investors.

SECTION II: SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective Investors.

(A) PRIMARY BUSINESS OF OUR COMPANY:

The Company is in business of trading, manufacturing and wholesale and retail selling of Animal Feed Supplement, Organic Bio Stimulate (Fertilizer), Ayurvedic Medicine, Herbal Cosmetics and Personal Care Products through its network of Exclusive Brand Outlets (EBO) under the name of Add-Shop.

The Company is also proposing to sell through online E-Commerce platform like Amazon and Filpkart and through its own website at www.addshop.co. It also sells through B2B Application for retailers.

For further detailed information, please refer to chapter titled “Our Business” beginning from page no. 53 of this Draft Letter of Offer.

(B) OBJECTS OF THE ISSUE:

Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects:

Sl. No.	Particulars	Amount (₹ in Lakhs)	In %
A	Funding the working capital requirements of the Company	[●]	[●]
B	Issue related Expenses	[●]	[●]
C	General Corporate Expenses	[●]	[●]
Total: Gross Issue Proceeds		[●]	100.00 %

For further details, please refer chapter “Objects of the Issue” beginning from page no. 38 of this Draft Letter of Offer.

(C) INTENTION AND EXTENT OF PARTICIPATION IN THE ISSUE BY THE PROMOTER AND PROMOTER GROUP:

Our Promoter(s) and entities forming part of our Promoter Group have, vide their letters dated June 10, 2022 (the “Subscription Letters”) undertaken that the Rights Issue is only for the Public Shareholders and there will be no Rights Entitlement to the Promoters and entities forming part of the Promoter Group. However, in the eventuality of an under-subscription in the Issue the Promoters and entities forming part of the Promoter Group will subscribe to the unsubscribed portion to the extent as permitted and in compliance with the SEBI ICDR Regulations and SEBI SAST Regulations.

The subscription on account of un-subscribed portion, made by Promoter(s) and entities forming part of our Promoter Group shall be made subject to such subscription not resulting in the minimum public shareholding of our Company falling below the level prescribed in Regulation 38 of the LODR/ SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Rights Issue.

(D) SUMMARY OF OUTSTANDING LITIGATIONS:

A summary of outstanding litigation proceedings pertaining to our Company, our Directors and Promoter and Promoter Group as on this Draft Letter of Offer is provided below:

Sr No.	Outstanding Litigations	Number of Matter	Financial Implications to the Extent Quantifiable (₹ in Lakhs)
1.	Filed against the Company <i>Direct Tax / Indirect Tax</i>	-	Nil
2.	Filed against our Directors <i>Direct Tax / Indirect Tax</i>	-	Nil
3.	Litigation involving Promoter Group/Group Company <i>Direct Tax / Indirect Tax</i>	-	Nil

Note: The amount mentioned above may be subject to additional interest, rates or Penalties being levied by the concerned authorities for delay in making payment or otherwise.

*For further details, please refer chapter “**Outstanding Litigation, Default and Material Development**” beginning from page no. **109** of this Draft Letter of Offer.*

(E) CROSS REFERENCE TO THE SECTION TITLED “RISK FACTORS”:

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Letter of Offer. *For the details pertaining to the internal and external risk factors relating to the Company, kindly refer to the chapter titled “**Risk Factors**” beginning on page no. **20** of this Draft Letter of Offer.*

(F) SUMMARY OF CONTINGENT LIABILITIES AS DISCLOSED IN THE FINANCIAL STATEMENTS:

As on the date of this Draft Letter of Offer, we don't have contingent liabilities and commitments that had not been provided in Financial Statements.

(G) SUMMARY OF RELATED PARTY TRANSACTIONS AS DISCLOSED IN THE FINANCIAL STATEMENTS:

*For details pertaining to Related Party Transactions, kindly refer to the chapter titled “**Financial Information**” beginning on page no. **69** of this Draft Letter of Offer*

(H) DETAILS OF ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR FROM THE DATE OF THIS DRAFT LETTER OF OFFER:

Our Equity Shareholders pursuant to an ordinary resolution passed at the extraordinary general meeting held on December 26, 2021 had approved the issuance of 79,30,801 bonus shares in the ratio of 7:10 (i.e., 7 fully paid up equity shares for every 10 fully paid up equity shares). The same were allotted to the shareholders of the company vide board resolution dated January 19, 2022.

SECTION III: RISK FACTORS

Any investment in equity securities involves a high degree of risk. Investor should carefully consider all the information in this draft Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with Sections titled, “**Our Business**”, “**Particulars of the Issue**”, “**Industry Overview**”, “**Financial Information**”, “**Outstanding Litigation and Other Material Developments**”, and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page no. **53, 38, 43, 69, 109, and 106** respectively, as well as the other financial and statistical information contained in this draft Letter of Offer.

Any of the following risks, as well as the other risks and uncertainties discussed in this draft Letter of Offer, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.

This draft Letter of Offer contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements because of certain factors, including the considerations described below and elsewhere in this draft Letter of Offer.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this Issuing unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the consequences to you of an investment in the Equity Shares.

The financial information in this section is, unless otherwise stated, derived from our Restated Financial Statements prepared in accordance with Indian GAAP, as per the requirements of the Companies Act, 2013, and SEBI (ICDR) Regulations.

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

1. Some risks may not be material individually but may be material when considered collectively.
2. Some risks may have material impact qualitatively instead of quantitatively.
3. Some risks may not be material at present but may have a material impact in the future.

INTERNAL RISK FACTOR:

Industry specific Risk:

1. **Our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations could materially and adversely affect our business, prospects, cash flows, results of operations and financial condition.**

Our operations are subject to extensive government regulation and in respect of our existing operations we are required to obtain and maintain various statutory and regulatory permits, certificates and approvals including approvals under the Food Safety and Standards Act, 2006 (the “FSSAI”) and the rules and regulations thereunder, product specific licenses and approvals, Legal Metrology Act, 2006, environmental approvals, factory licenses and labour and tax related approvals, among other things.

Further, certain material consents, licenses, registrations, permissions and approvals that are required to be obtained by our Company for undertaking its business there are valid for prescribed period of time and have to be renewed in the normal course and our Company has either made an application to the relevant Central or State government authorities for renewal of such licenses, consents, registrations, permissions and approvals or is in the process of making such applications. There can be no assurance that the relevant authorities will issue such permits or approvals in time or at all. Failure or delay in obtaining or maintaining or renew the required permits or approvals within applicable time or at all may result in interruption of our operations. Further, the relevant authorities may initiate penal action against us, restrain our operations, impose fines/penalties or initiate legal proceedings for our inability to renew/obtain approvals in a timely manner or at all. Consequently, failure or delay to obtain such approvals could have a material adverse effect on our business, financial condition and profitability.

If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, be required to alter our manufacturing and/or procurement operations or otherwise suffer disruption in our activities, any of which could adversely affect our business. The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any

regulatory action, these registrations, approvals or licenses are liable to be cancelled or the manufacture or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our results of operations, future cash flows or growth prospects. Additionally, failure to obtain or renew relevant approvals, licenses etc., could also subject to our senior management or board of director to legal or regulatory action.

2. *Our efforts to introduce new products are dependent on the success of our research and development initiatives. Our inability to successfully develop and commercialize new products in a timely manner could adversely impact our business, growth and financial condition.*



In order to remain competitive, we must develop, test and manufacture new/ distinctive products, which must meet our customers' standards and applicable regulatory standards. However, our investments in research and development for new products and processes may result in higher costs without proportionate increase in revenues. Any failure on our part to successfully identify and commercialize new products may have an adverse on our business, financial condition and results of operations.

Our ability to successfully introduce new and distinctive products also depends on our ability to adapt and invest in new technologies. There can be no assurance that we will be able to make timely investments in technological improvements in order to commercialize new products in a timely manner. Further, our competitors may launch competing or improved products. Delays or failure in developing new or commercially viable products could adversely affect our business, financial condition and results of operations.

3. *The availability of look-alikes, counterfeit products, primarily in our domestic market, manufactured by other companies and passed off as our products, could adversely affect our goodwill and results of operations.*

We are exposed to the risk that certain entities in India where our products are marketed, could pass off their products as ours to create look alike and counterfeit products. For example, certain entities could create spurious and pirated products. The measures we take to protect our brands and other intellectual property include relying on Indian laws and initiating legal proceedings, may not be adequate to prevent unauthorised use of them by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving and could involve substantial risks to us. Detecting and protecting against the unauthorised use of our products, technology and proprietary rights is expensive, difficult and, in some cases, impossible. The proliferation of unauthorised copies of our products, and the time lost in defending claims and complaints about spurious products could decrease the revenue we receive from our products and have a material adverse effect on our reputation, business, financial condition and results of operations.

4. *If we are unable to maintain and enhance the brand, the sales of our products may suffer which would have a material adverse effect on our financial condition and results of operations*

We believe that the brands  and  we have developed has significantly contributed to the success of our business. We also believe that maintaining and enhancing the brand is critical to maintaining and expanding our customer base. Our brand and reputation are among our most important assets and we believe that our brand serve in attracting consumers to our products in preference over those of our competitors. Maintaining and enhancing our brand may require us to make substantial investments in areas such as research and development, marketing and brand building activities, and these investments may not be successful. There can be no assurance that consumers will continue to be receptive to our brand. We anticipate that, as our business expands into new markets and as the market becomes increasingly competitive, maintaining and enhancing our brand may become increasingly difficult and expensive. Additionally, in the event that our future advertising campaigns are unsuccessful, we may only incur expenses without the benefit of higher revenues or our competitors may increase their advertising spend, launch promotional activities, concepts, branding and advertising activities which we may not be able to match. Our brand may also be adversely affected if our public image or reputation is tarnished by any negative publicity. Any adverse publicity involving us or any of our products may impair our reputation, dilute the impact of our branding and marketing initiatives and adversely affect our business and our prospects. Our brand could be damaged by negative publicity on various media platforms or by claims or perceptions about the quality of our products, regardless of whether such claims or perceptions are true. Any untoward incidents such as litigation or negative publicity, whether isolated or recurring and whether originating from us or otherwise, affecting our business, distributors, dealers and suppliers may adversely impact our brand image and consumer trust. If we are unable to maintain or enhance our brand image, our results of operations may suffer and our business may be harmed. Further, as we expand into new geographic markets within India, and as the market becomes increasingly competitive, maintaining and enhancing our brand image may become costly and difficult.

5. *We depend heavily on our channel partners such as distributors and franchisees for our branded products and failure to manage the distribution network efficiently will adversely affect our performance.*

We are dependent on the distributors and franchisees located at various major states in the Country for the distribution of our products and our ability to expand and grow our product reach significantly depends on the reach and effective management of our distribution network. We presently have over 1200 franchisees located at various states. We also utilize online marketplaces and e-commerce systems to increase our products market penetration and reach. We continuously seek to increase our reach by appointing new distributors targeted at different customer groups in various

geographical segments. We cannot assure you that we will be able to successfully identify or appoint new distributors and franchisees or effectively manage our existing distribution network. If the terms offered to such distributors and franchisees by our competitors are more favorable than those offered by us, distributors may decline to distribute our products and terminate their arrangements with us. There can be no assurance that we will be successful in continuing to receive uninterrupted, high quality of service from these channel partners for all our current and future products.

We have not entered into any written agreement with our distributors and franchisees for distribution of our products. The franchisees and distributors may anytime relinquish to sell our products and begin selling our competitors' products. Also, there is no definite obligation or accountability of our distributors or franchisees in case of any untoward incidents which in turn may adversely impact our brand image and consumer trust.

Furthermore, our competitors may have exclusive arrangements with distributors and franchisees and therefore such distributors and franchisees may be unable to stock and distribute our products, which may limit our ability to expand our distribution network. A deterioration of our relationship with the distributors may have an adverse effect on our business, financial condition, cash flows and results of operations. We may also face disruptions in the delivery of our products for various reasons beyond our control, including poor handling by distributors of our products, transportation bottlenecks, natural disasters and labour issues, which could lead to delayed or lost deliveries. If our distributors fail to distribute our products in a timely manner, or adhere to the terms of the distribution arrangement, our business and results of operations may be adversely affected.

6. *We may be subject to product liability claims from our customers our premix formulations. Any claims arising from such liabilities may harm our reputation, require us to incur substantial costs and/or have an adverse impact on our business, financial conditions and results of operations.*

We are subject to product liability claims with respect to quality and defects in our products. We will be required to comply with certain quality standards for the products we supply to the customers. In case we are unable to provide the prescribed quality standard products, we may lose our customers which could result in substantial business losses. Defects, if any, in our products could lead to rejection of supplied products and consequential replacement liability. However, we have not experienced any product liability claims with respect to quality and defects in our products in the past, which had material impact on the financial and result of operations of our Company. In the event, our Company fails to maintain the quality of its products or if there is any major defect in our products in future, we could be made liable to the customers and the same could consequently lead to a negative publicity against our Company thereby affecting our brand value, reputation, business, results of operations and financial condition. Management resources could also be diverted away from our business towards defending such claims. In the event, there are any liabilities arising from such claims, our business, financial performance and results of operations may be adversely affected. We cannot assure you that no such claims will be brought against us in the future or that such claims will be settled in our favour. Any such successful claims against us could adversely affect our business, financial condition and results of operations.

7. *Our failure to protect confidential information like our product mixes, formulations, pricing or launch information could adversely affect our competitive position.*

We intend to keep the product mixes and formulations of our products confidential. We also keep information in relation to our proposed pricing of any new product, any proposed variation in price or launch of any new product confidential. Any failure to protect such confidential information due to leakage of information may impact our competitive position in our product segment. The appointment letters issued to our employees who use our product mixes to manufacture our products require that all information made known to them be kept strictly confidential. Although we attempt to protect our trade secrets, the appointment letters may not effectively prevent disclosure of our proprietary information and may not provide any adequate remedy in the event of unauthorised disclosure of such information to our competitors. Consequently, such events may adversely affect our competitive position.

8. *Our inability to manage our inventory and foresee accurate demand for our products for a future period may adversely affect our reputation, business, results of operation and our financial performance.*

The estimations on demands of our products are typically based on our projections, inventory levels at our distribution networks, our understanding of the anticipation of consumption and spending by our consumers. If we overestimate demand for our products, we may face difficulty on storage of such products due to lower shelf life and complications with respect to storage of perishable products. Further, if we are unable to provide our products to our consumers due to any disruptions of our manufacturing facilities or shortage of raw materials, we may incur the risk of customers choosing other products over our products. While we closely monitor our inventory requirements for our product, we may be exposed to various risks including the aforementioned risks. All of these factors could adversely affect our reputation, business, results of operation and our financial performance.

9. *We operate in a competitive industry and our market share may be adversely impacted in case we do not keep ourselves appraised of the latest consumer trends and technology and if we fail to compete effectively in the markets in which we operate.*

We operate in a competitive industry which is characterized by rapid shifts in consumer trends and demands and our market share may be adversely impacted at any time by the significant number of competitors in our industry that may compete more effectively than us. These frequent changes and their impact on consumer demand may result into both price and demand volatility, leading to change in the competitive scenario. Due to the expansive nature of our business,

we face competition from various kinds of players including, players operating in retail, wholesale and e-commerce space. Many of our competitors are, and many of our potential competitors may be, larger, and may have substantially greater financial, marketing and other resources and, therefore, may be able to adapt to changes in customer requirements more quickly and devote greater resources in marketing and sale of their products or adopt more aggressive pricing policies than we can. We face a variety of competitive challenges, including:

- pricing our products to remain competitive while achieving a customer perception of comparatively higher value;
- anticipating and quickly responding to changing consumer demands;
- maintaining favorable brand recognition and effectively marketing our products to consumers in diverse markets; and
- providing strong and effective marketing support;

Similarly, some of our organized competitors may also have advantages over us on account of, more efficient distribution networks, better production facility, greater geographic reach, broader product ranges or access to a large pool of financial resources. Further, certain regional and national competitors have already expanded in untapped new markets. As a result, we will need to put in efforts to create brands and propositions that will provide access to high value products and also create a customer connect to our brand identity.

10. *Sale of expired products or supply of defective products or products that are non-compliant with applicable standards, could damage our reputation and have a significant adverse effect on our business, operating results, cash flows and/or financial condition*

We manufacture & distribute more than 120 products through traditional, C&F (Collection & Forwarding Agents) network & online channels in many states in India. Also, we supply our products through our franchisee model. The product manufactured and supplied by us must be following prescribed and applicable standards. If any products are sold past their expiration date (or sell by date), or we supply products that are defective or non-compliant with prescribed standards, as applicable, we could be subject to inter alia punitive action. Any of the above could also arise out of factors beyond our control such as counterfeit products being introduced into the supply chain, product tampering, or mishandling of our products and we may not be able to avoid significant liability exposure even if we take appropriate precautions. Any liability that we may have as a result could have a material adverse effect on our business, financial condition and results of operations, to the extent insurance coverage for such liability is not available. However, there has been no incident in the past of any such nature, but in case of any such eventuality in the future there may be liability claims, regardless of their ultimate outcome, which could have a material adverse effect on our reputation, our ability to attract and retain customers and may detrimentally divert management's attention away from the business.

11. *The improper handling, processing or storage of our products or raw materials, or spoilage of and damage to such products or raw materials, or any real or perceived contamination in our products or raw materials, could subject us to regulatory action, damage our reputation and have an adverse effect on our business, results of operations and financial condition.*

Our products and raw materials are subject to risks such as contamination, adulteration, product labelling error and product tampering during their manufacture, transport or storage. Although our products are teste extensively at our facilities, we cannot assure you that the quality tests conducted by us will be accurate at all times. Any shortcoming in the production or storage of our products due to negligence, human error or otherwise, may damage our products and result in non-compliance with applicable regulatory standards. Any actual or alleged contamination of our products or raw materials could damage our reputation, adversely affect our sales and result in legal proceedings being initiated against us, irrespective of whether such allegations have any factual basis. However, our Company has not faced any instance of spoilage of and damage to such products or raw materials, or any real or perceived contamination in our products or raw materials which had material impact on the financial and result of operations of our Company. Any allegation relating to, or the discovery of, unauthorised contaminants in our products or raw materials processed by us, which causes or is alleged to cause injury or illness, allegations that our products were mislabeled, were not produced in accordance with our customer's specifications and/or have not performed adequately, even where food safety or other product safety is not a concern could damage our reputation, adversely affect our sales and may cause product liability or other legal proceedings being initiated against us by our customers, irrespective of whether such allegations have any factual basis. We may also be subject to regulatory action and mandatory product recalls. We cannot assure you that we will not be subject to such product liability claims in the future, whether or not legitimate, or product recalls, whether voluntary or mandatory. Defending such claims or regulatory action could be time-consuming and may also result in unexpected expenditures, and our reputation, business, financial condition, cash flows and results of operations may be adversely affected.

12. *We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.*

The market for our industry is competitive on account of both the organized and unorganized players. Players in this industry generally compete with each other on key attributes such as timely delivery, pricing, the quality etc. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

13. *We do not maintain long-term contracts with our third-party suppliers, and our business may be adversely affected by a shortfall in supply, or increase in price of raw materials.*

We require various raw materials for manufacturing of our products i.e., Organic Fertilizers, Animal feed supplements, Herbal Cosmetics and personal care products and we also purchase these products from our related entities and also third party suppliers. We do not have any long-term supply contracts with any of our specific suppliers with respect to our raw material requirements and typically place orders with them in advance of our anticipated requirements. We utilize a variety of raw materials in our products and the availability of these products is subject to many risks, including insect or animal infestation, adverse weather conditions, adverse ground conditions and natural and other disasters. Certain agricultural raw materials are available only at specific times during a year due to the seasonality of growing periods and harvest times in India. Furthermore, raw materials are subject to price volatility caused by factors, including commodity market fluctuations, the quality and availability of supply, currency fluctuations, consumer demand and changes in governmental agricultural programs. Raw material price increases result in corresponding increases in our raw material costs. We also face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on our part to procure raw materials from alternate suppliers in a timely fashion, or on terms acceptable us, may adversely affect our operations.

We rely on the adequate and timely availability of key input materials. Any supply chain disruptions may impact our raw material sourcing, which in turn may impact our ability to fulfill the demand of the customers. Any significant change in the cost structure or disruption in supply may affect the pricing and supply of products. If we are not able to increase our product prices to offset increased raw material costs, or if unit volume sales are significantly reduced, it could have an adverse impact on our profitability. This may adversely affect our business and financial performance.

14. *There have been few instances wherein compliances/filings as prescribed under the SEBI (Prohibition of Insider Trading) Regulations 2015 with the stock exchange have been delayed by our Company.*

Our Company has been listed on BSE Limited (w.e.f. 10th September, 2018). In terms of Regulation 7(2)(b) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 the Company shall disclose within two working days of receiving of information w.r.t. Regulation 7(2)(a) relating to certain transactions. Further, any delay in compliance with respect to SEBI (Prohibition of Insider Trading) Regulations, 2015 may attract penalty or any other action. There have been instances in the past when there have been certain delayed compliances by the Company. Although, our endeavor is to comply with listing regulations and all regulations related to a listed Company in timely manner, however, there can be no assurance that there may not be any such delayed/non-compliance in future which could result in payment of heavy penalties by the Company in which our business, results of operations and financial condition may be adversely affected.

15. *The Qualification and Experience Proof of some of our Promoters & Directors are not available.*

Our Promoters and Directors are qualified and are highly experienced to run the day-to-day affairs of the Company. However, the Qualification and Experience Proof (as mentioned in this Letter of Offer) of some of our Promoters & Directors are not available.

16. *We are dependent on third party transportation and logistics providers. Any disruptions in logistics and transportation or significant increase in freight charges could adversely affect our business, financial condition and results of operations.*

We depend on the smooth logistics, supply and transportation of the various raw materials required for our manufacturing and processing facilities and of our products from our manufacturing and processing facilities to our customers and distribution partners. We rely on third party logistic services to procure raw materials from our suppliers and for delivery of our products. We procure raw materials from local suppliers and other parts of the country, and our finished products are transported from our facilities to distribution points by transportation vehicles which are not owned or controlled by us. These transportation vehicles are integral to our business operations. We have over the years engaged the services of various transportation service providers to provide us the necessary transportation vehicles. We do not, however, have any contractual arrangements with such third-party transportation service providers. Moreover, most such providers are in the unorganized space and, provide us with a small number of vehicles each.

Transportation strikes may have an adverse effect on supplies and deliveries to our customers and suppliers. In addition, raw materials and products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. Failures to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. In case our transportation and logistics service providers are unable to perform their services, we cannot assure you that we will be able to deploy suitable alternative transportation services at favourable rates in a timely manner. Further, any increase in fuel costs could have a corresponding impact on transportation charges which we may not be able to pass on to our customers. Any significant increase in our transportation costs which we are unable to pass on to our customers may adversely affect our business and results of operations.

17. *Our success depends heavily upon our Promoters and Directors for their continuing services, strategic guidance and financial support.*

Our success depends heavily upon the continuing services of Promoters & Directors who are the natural person in control of our Company. Our Promoters have a vast experience in the field of Ayurvedic and Pharma business. They have

established cordial relations with various distribution channels and suppliers over the past several years, which have immensely benefitted our Company's current customer and supplier relations. We believe that our Promoters, who have rich experience in this industry, managing customers and handling overall businesses, has enabled us to experience growth and profitability. We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and are closely involved in the overall strategy, direction and management of our business. Further, our Promoters are also part of certain other firms / ventures and may continue to do so. If they divert their attention to such other concerns, we may not be able to function as efficiently and profitably as before. We may have to incur additional costs to replace the services of our Promoters or we may not be able to do so at all, which could adversely affect our business operations and affect our ability to continue to manage and expand our business.

Further, we also depend significantly on our directors for executing their day-to-day activities. If our Promoters / Directors or any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

18. *We have group companies and entities where our Promoters / Directors are actively involved Our Promoters and Directors are also actively involved in other group companies / entities.*

Our Promoters may devote substantial time and resources to develop and grow the business of other group companies / entities, though Directors and Promoters are involved in other group companies/ entities but the maximum time of Promoter and Directors is devoted in this Company hence there is no probability for lack of leadership. Though we cannot guarantee that our promoters will divide their time and energy between our group companies / entities and us. Though our key managerial personnel are well experienced to carry out the business activities, lack of involvement of our Promoters could have an adverse effect on our goodwill and financial performance.

19. *We have working capital requirements. If we experience insufficient cash flows to enable us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.*

Our business requires working capital, part of which would be met through additional borrowings in the future. In many cases, significant amounts of working capital are required to finance the procurement of raw materials before payments are received from customers. Our working capital requirements may increase, under various conditions. Additionally, our working capital requirements have increased in recent years due to the general growth of our business. All of these factors may result, or have resulted, in increases in our working capital needs.

Due to various factors, including certain extraneous factors such as changes in tariff regulations, interest rates, insurance and other costs or borrowing and lending restrictions, if any, we may not be able to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms, or at all, which may have a material adverse effect on our business, financial condition, growth prospects and results of operation.

20. *Our Company has entered into certain related party transactions and may continue to do so in the future.*

Our Company has entered into related party transactions with M/s. Dada Organics which is a Proprietorship concern of our Promoter, Mr. Dineshbhai Pandya. While our Company believes that all such transactions have been conducted on the arm's length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related party. Furthermore, it is likely that our Company will 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 operation. For details, please refer to "**Related Party Transactions**" under section titled "**Financial Information**" on page no. [●] of this Draft Letter of Offer.

21. *The object of the Rights Issue for which funds are being raised have not been appraised by any bank or financial institution and are based on management estimates.*

Our funding requirement set out in the chapter 'Objects of the Offer' on page [●] are based on management estimates and has not been appraised by any bank or financial institution. Our funding requirements are based on our current business plan and may vary based on various factors including macroeconomic changes. In view of the dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and, consequently, the funding requirement and the utilization of proceeds from the Offer may also change. This may also include re-scheduling the proposed utilization of Offer Proceeds at the discretion of our management. We may make necessary changes to the utilisation of Offer Proceeds in compliance with the provisions of the Companies Act. In the event of any variation in actual utilization of the Offer Proceeds, any increased fund deployment for a particular activity may be met from funds earmarked from any other activity and/or from our internal accruals. Further, any such revision in the estimates may require us to revise our projected expenditure which may have a bearing on our profitability.

22. *We are dependent on a number of key managerial personnel, including our senior management, and the loss of or our inability to attract or retain such persons with specialized knowledge could adversely affect our business, results of operations, cash flows and financial condition.*

Our performance depends largely on the efforts and abilities of our senior management and other key managerial personnel, including our present officers who have specialized knowledge. The inputs and experience of our senior

management and key managerial personnel are valuable for the development of our business and operations strategy. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Our Company does not maintain any director's and officer's insurance policy or any keyman insurance policy. The loss of the services of such persons could have an adverse effect on our business, results of operations, cash flows and financial condition.

23. *Employee misconduct, errors or fraud could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.*

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our operational standards and processes, and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be recoverable, which we may result in write-off of such amounts and thereby adversely affecting our results of operations. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions in which case, our reputation, business prospects, results of operations and financial condition could be adversely affected.

24. *Our Registered Office from where we operate is not owned by us.*

Our Registered Office premise is situated at B-304 Imperial Height 1150 Ft Ring Road, Rajkot-360005, Gujarat, India is not owned by us. Our registered office is owned by our Promoter Mr. Dineshbhai Pandya. The Company has entered into rent agreement with the Promoter on April 21,2022 for a period of 11 months for using the building as registered office. We cannot assure you that we will be able to continue the above arrangement on commercially acceptable /favourable terms in future. For further details, see section "**Our Business**" on page 53 of this draft Letter of Offer. If we are required to vacate the current premises, we would be required to make alternative arrangements for new offices and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable/favourable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

25. *Industry information included in this draft Letter of Offer has been derived from industry reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.*

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

26. *The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.*

The Issue price is based on numerous factors. The market price of our Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

- Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

27. *Our insurance coverage may not adequately protect us from all material risks and liabilities*

We maintain insurance which we believe is typical in our industry in India and for amounts which we believe to be commercially appropriate for risks. However, such insurance may not be adequate to cover all our losses or liabilities that may arise from our business. Our insurance policies contain exclusions and or all limitations on coverage, as a result of which, we may not be able to successfully assert our claims for any liability or loss under the said insurance policies. Additionally, there may be various other risks and losses, specially arising out of our business agreements, for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore,

there can be no assurance that in the future we will be able to maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable. The occurrence of an event for which we are not insured, where the loss is in excess of insured limits or where we are unable to successfully assert insurance claims for losses, could result in unforeseen liabilities and losses. Further, despite such unforeseen losses we may remain obligated for any future financial indebtedness or other obligations related to our business. Any such unforeseen losses or liabilities could result in an adverse effect on our business operations, financial conditions and results of operations.

28. *We may not be successful in implementing our business strategies.*

The success of our business depends substantially on our ability to implement our business 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 clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

29. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.*

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

30. *The price of the Equity Shares may be highly volatile after the Issue.*

The price of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including, volatility in the Indian and global securities market; our operations and performance; performance of our competitors and the perception in the market about investments in the our industry; adverse media reports on us or the industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

RISKS RELATING TO RIGHTS ISSUE

1. *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. 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.

2. *There is no guarantee that the Rights Equity Shares issued pursuant to this Rights Issue will be listed on the Stock Exchange in a timely manner.*

In accordance with Indian law and regulations and the requirements of the Stock Exchange, in principle and final approvals for listing and trading of the Rights Equity Shares issued pursuant to this Rights Issue will not be applied for or granted until after the Rights Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Rights Equity Shares to be submitted. Accordingly, there could be a failure or delay in listing the Rights Equity Shares on the Stock Exchange. If there is a delay in obtaining such approvals, we may not be able to credit the Rights Equity Shares allotted to the Investors to their depository participant accounts or assure ownership of such Rights Equity Shares by the Investors in any manner promptly after the Closing Date. In any such event, the ownership of the Investors over Rights Equity Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, see "*Issue Information*" beginning on page 118.

3. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.*

The Rights Entitlements that are not exercised prior to the end of the Issue 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. Even if you elect to sell your unexercised Right 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 Issue. Renouncees 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 Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation (the last day for which is [●]), such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see — **“Terms of the Issue”** on page **118**.

4. *The entitlement of Rights Equity Shares to be allotted to investors applying for Allotment in physical form, will be kept in abeyance.*

Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. This further means that they will have no voting rights in respect of the Equity Shares. For details, see — **“Terms of the Issue – Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form”** on page **137** of the Draft Letter of Offer.

5. *The Eligible Equity Shareholders holding Equity Shares in physical form will have no voting rights in respect of Equity Shares until they provide details of their demat account and Equity Shares are transferred to such demat account from the demat suspense account thereafter.*

The Equity Shares will be credited to a demat suspense account to be opened by our Company, in case of Allotment in respect of resident Eligible Equity Shareholders holding Equity Shares in physical form and who have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date. Such Eligible Equity Shareholders are required to send, amongst others, details of their demat accounts to our Company or the Registrar to enable our Company to transfer, after verification of the details of such demat account by the Registrar, the Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders. Unless and until such Eligible Equity Shareholders provide details of their demat account and the Equity Shares are transferred from demat suspense account to such demat accounts thereafter, they will have no voting rights in respect of Equity Shares. For details, see —Terms of the Issue on page **118**.

6. *The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholder”) may lapse in case they fail to furnish the details of their demat account to the Registrar.*

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020 and May 6, 2020, read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see —Terms of the Issue on page **118**. 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 Rights Equity Shares shall be made in dematerialized form only.

7. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.*

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant’s decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants’ ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

8. *Holder of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.*

Under the Companies Act, any company incorporated in India must offer its holders of equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

9. ***Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.*** Our Articles of Association and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, Director's fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a corporate entity in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a bank or corporate entity in another jurisdiction. In accordance with the provisions of the Companies Act, the voting rights of an equity shareholder in a company shall be in proportion to the share of a person in the paid-up equity share capital of that company.
10. ***No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.*** No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Equity Shares may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

EXTERNAL RISKFACTORS

1. ***Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.***

Our business and industry are regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

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

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short-term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and is taxable at 10%, in excess of Rs. 1,00,000. Any long-term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

3. ***Public companies in India, including our Company, shall be required to prepare financial statements under Indian Accounting Standards.***

Our Company currently prepares its annual financial statements under Indian GAAP. The MCA, Government of India, has, through a notification dated February 16, 2015, set out the Indian Accounting Standards (Ind AS) and the timelines for their implementation. In accordance with such notification, our Company is required to prepare its financial statements in accordance with Ind AS. Ind AS is different in many aspects from Indian GAAP under which our financial statements are currently prepared. Accordingly, the degree to which the restated financial statements included in the draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting

practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the draft Letter of Offer should accordingly be limited.

4. *Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.*

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:

- Custom duties on imports of products;
- Goods and Service Tax

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

5. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.*

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

6. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and Indian Agricultural and Retail Industry contained in the draft letter of offer.*

While facts and other statistics in the draft letter of offer relating to India, the Indian economy and the Indian Agricultural and Retail Industry has been based on various government publications, reports from government agencies, India Brand Equity Foundation and industry publications etc. that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled "*Industry Overview*" beginning on page 43 of this draft letter of offer. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

7. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.*

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

8. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

Under the foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

9. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.*

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

10. Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's credit ratings for domestic and international debt by 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 may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

11. Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.

The current Covid-19 pandemic had brought the world to a standstill affecting all sectors and the livelihood of many are at stake including the Indian economy. However, our Country is achieving normalcy by various measures taken by the Government. The pandemic is still to be controlled and any major outbreak will seriously impact our business. Further, our Country in the past has experienced natural calamities such as earthquakes, tsunami, floods etc. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

12. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks in India, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

SECTION IV: INTRODUCTION

A. ISSUE DETAIL IN BRIEF:

The present Rights Issue of [●] Equity Shares at an issue price of Rs. 54/- (including premium of Rs 44/-) per equity share aggregating upto ₹ 49,50,00,000/- Draft Letter of Offer has been authorized pursuant to a resolution of our Board of Directors held on June 3, 2022 passed under Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The terms of the Issue including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by our Board at its meeting held on [●].

The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in “*Terms of the Issue*” beginning on page no. [●] of this Draft Letter of Offer.

Rights Equity Shares being offered by our Company	Up to [●] Right Equity Shares.
Rights Entitlement	[●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date*
Record Date	[●]
Face value per Equity Share	₹10/- each
Issue Price per Rights Equity Share	₹ 54/- each
Issue Size	Not Exceeding ₹ 49.50 Crores
Equity Shares issued, subscribed and paid-up prior to the Issue	1,92,56,701 Equity Shares
Equity Shares issued, subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] Equity Shares
Security Codes	BSE: ASRL ISIN: INE01B501018 ISIN for Rights Entitlement: [●]
Use of Issue Proceeds	For details, see “ <i>Objects of the Issue</i> ” beginning on page no. 38 of this Draft Letter of Offer.
Terms of the Issue	For details, see “ <i>Terms of the Issue</i> ” beginning on page no. 118 of this Draft Letter of Offer.
Terms of Payment	The full amount of the Issue Price being ₹54/- per equity shares will be payable on application.
Issue Open Date	[●]
Last date for On Market Renunciation of Rights	[●]
Issue Close Date	[●]

*For Rights Equity Shares being offered under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any

B. GENERAL INFORMATION

Add -Shop ERetail Limited was originally incorporated on August 20, 2013 as “*Add-Shop Promotions Private Limited*” having its registered office at Shree Ashapura Complex, Shop No. 202, 2nd Floor, Opp. Ahya Commercial Centre, Gondal Road, Rajkot-36002, Gujarat, India, under the provisions of the Companies Act, 1956 bearing Certificate of Incorporation No. U51109GJ2013PTC076482 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on June 11, 2018 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Gujarat, Ahmedabad dated June 21, 2018 and name of our Company was changed to Add-Shop Promotions Limited and a fresh certificate of incorporation was issued bearing U51109GJ2013PLC076482. The name of the Company was further changed to Add-Shop E-Retail Limited and a fresh certificate of Incorporation bearing CIN No. L51109GJ2013PLC076482 was issued by Registrar of Companies Ahmedabad, Gujarat

Brief of Company and Issue Information	
Name & CIN	ADD-SHOP E-RETAIL LIMITED L51109GJ2013PLC076482
Registered & Corporate Office	<i>Add- Shop E-Retail Limited</i> B-304 Imperial Height 1150ft Ring Road Rajkot-360005, Gujarat, India E-Mail ID: investor@addshop.co Tel No: 0281-2580499 Website: www.addshop.co
Warehouse Address	<i>Add- Shop E-Retail Limited</i> <i>Rachna Industrial Zone 3, Plot No.34, Village Padvala,</i> <i>Lotha Road, Kotda Sangani, Rajkot -360025, Gujarat</i>
Address of Registrar of Companies	Registrar of Companies, Ahmedabad located at ROC Bhavan, Opp Rupal , Park Society behind Ankur Bus Stop Naranpura Ahmedabad -380013, India
Designated Stock Exchange	BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400 001
Company Secretary and Compliance Officer	<i>Mr. Nirajkumar Malaviya</i> <i>Add- Shop E-Retail Limited</i> B-304 Imperial Height 1150ft Ring Road Rajkot-360005, Gujarat, India E-Mail ID: investor@addshop.co Tel No: 0281-2580499 Website: www.addshop.co
Chief Financial Officer	<i>Mr. Dev Dineshbhai Pandya</i> B-304 Imperial Height 1150ft Ring Road Rajkot-360005, Gujarat, India E-Mail ID: investor@addshop.co Tel No: 0281-2580499 Website: www.addshop.co
Statutory Auditor of the company	M/s. J.S Maheshwari & Co. Chartered Accountants 205, Solitiare, Oppo. Garage, Under Bridge , Near under bridge, Shahibaug, Ahmedabad-380004, India Contact Person: CA Dilip Maliwal Designation: Partner Membership No: 148387 Contact No: 094141-22363 E-mail ID: jsmcapali@gamil.com Firm Registration No: 001318C

Details of Key Intermediaries pertaining to this Issue and our Company:

LEAD MANAGER	REGISTRAR TO THIS ISSUE & COMPANY
<p>FINSHORE MANAGEMENT SERVICES LIMITED Anandlok”, Block-A, 2nd Floor, Room No. 207, 227 A.J.C Bose Road, Kolkata-700020, West Bengal Telephone: +91 – 33 – 22895101 Email: ramakrishna@finshoregroup.com Website: www.finshoregroup.com Investor Grievance Email: info@finshoregroup.com Contact Person: Mr. S. Ramakrishna Iyengar (Director) SEBI Registration No: INM000012185 CIN No: U74900WB2011PLC169377</p>	<p>CAMEO CORPORATE SERVICES LTD "Subramanian Building", No. 1, Club House Road, Chennai - 600 002, India Tel No: +91-44-40020700 Fax: +91-44-28460129 Email: priya@cameoindia.com Investor Grievance Email Id: investor@cameoindia.com Contact Person: Ms. K Sreepriya Website: www.cameoindia.com SEBI Registration Number: INR000003753 CIN No: U67120TN1998PLC041613</p>
LEGAL ADVISOR TO THE ISSUE	BANKER TO THE ISSUE
<p>J MUKHERJEE & ASSOCIATES D-1, MMS Chambers, 1st Floor, 4A, Council House Street, Kolkata-700001. West Bengal, India Telephone: +91 9830640366 Email: jmukherjeeandassociates@gmail.com Contact Person: Mr. Jayabrata Mukherjee, Advocate.</p>	<p>[•]</p>

Note: Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

All grievances in relation to the application through ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving details such as the full name of the sole or First Applicant, ASBA Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder, ASBA Account number in which the amount equivalent to the Bid Amount was blocked and UPI ID used by the Retail Individual Investors. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

Self-Certified Syndicate Banks (“SCSBs”)

The lists of banks that have been notified by SEBI to act as SCSB for the ASBA process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details of the Designated Branches which shall collect Application Forms, please refer to the above-mentioned SEBI link.

Collecting Depository Participants

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at BSE Limited, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Statement of Inter Se Allocation of Responsibilities

Finshore Management Services Limited is the sole Lead Manager to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

Credit Rating

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

Debenture Trustees

As the Issue is of Right Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency

As the Issue Size is below ₹ 10,000 lakhs, the appointment of a monitoring agency is not required.

Underwriting

This Issue of Rights Equity Shares is not being underwritten and no standby support is being sought for the said Issue.

Filing of Draft Letter of Offer/Letter of Offer

The Draft Letter of Offer shall not be filed with SEBI, nor will SEBI issue any observation on the Draft Letter of Offer as the size of issue is less than Rs. Fifty Crores.

The Draft Letter of Offer has been filed with BSE (the Designated Stock Exchange having nationwide terminal) for obtaining in-principle approval.

However, a copy of the Letter of Offer shall be filed with the SEBI for the purpose of their information and dissemination on its website through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 issued by the SEBI and with the Designated Stock Exchanges. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of the Letter of Offer to the e-mail address: cfddil@sebi.gov.in.

Minimum Subscription

In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of 90% of the Issue Size, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is any delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company and Directors shall pay interest for the delayed period, at such rates as prescribed under the applicable laws.

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:

Last date for credit of Rights Entitlement	[●]
Issue Opening Date	[●]
Last date for On Market Renunciation*	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

* *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.*

The Board of Directors or the Rights Issue Committee will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from 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., [●], 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., [●], 2022. Further, in accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to

Rights Equity Shares may also apply in this Issue during the Issue Period. For details, see “*Terms of the Issue*” beginning on page no. **118** of this Draft Letter of Offer.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Managers or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-19 related restrictions. 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.

C. CAPITAL STRUCTURE

The Capital Structure of our company before the Issue and after giving effect to the Issue, as at the date of this Draft Letter of Offer, is set forth below:

(Rs. in Lakhs except share data)

No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
A	Authorized Share Capital		
	3,50,00,000 Equity Shares of ₹10/- each	3,500.00	--
B	Issued, Subscribed & Paid-up Share Capital prior to the Offer		
	1,92,56,701 Equity Shares of ₹10/- each	1,925.67	--
C	Present issue in terms of the Draft Letter of Offer*		
	[●] Equity Shares of ₹10/- each for cash at a price of ₹54/- per share **	[●]	[●]
D	Issued, Subscribed & Paid-up Share Capital after the Offer***		
	[●] Equity Shares of ₹10/- each	[●]	[●]

*This Rights Issue has been authorized pursuant to a resolution of our Board dated June 3, 2022.

***Assuming full subscription to the Rights Entitlements and Allotment of the Rights Equity Shares.

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 Draft Letter of Offer, which would entitle the holders to acquire further Equity Shares.
- All Equity Shares are fully paid-up and there are no partly paid Equity Shares outstanding as on the date of this Draft Letter of Offer. The Rights Equity Shares, when issued, shall be Full Paid up.
- At any given time, there shall be only one denomination of the Equity Shares.
- No Equity Shares held by our Promoter or members of our Promoter Group have been locked-in, pledged or encumbered as of the date of this Draft Letter of Offer.

Intention and extent of participation in the Issue by the Promoter and Promoter Group:

Our Promoter(s) and entities forming part of our Promoter Group have, vide their letters dated June 10, 2022 (the “Subscription Letters”) undertaken that the Rights Issue is only for the Public Shareholders and there will be no Rights Entitlement to the Promoters and entities forming part of the Promoter Group. However, in the eventuality

of an under-subscription in the Issue the Promoters and entities forming part of the Promoter Group will subscribe to the unsubscribed portion to the extent as permitted and in compliance with the SEBI ICDR Regulations and SEBI SAST Regulations.

The subscription on account of un-subscribed portion, made by Promoter(s) and entities forming part of our Promoter Group shall be made subject to such subscription not resulting in the minimum public shareholding of our Company falling below the level prescribed in Regulation 38 of the LODR/ SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Rights Issue.

The ex-rights price per Equity Share arrived in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ [●]/-

Shareholding Pattern of our Company as per the last filing with the Stock Exchange in compliance with the provisions of the SEBI Listing Regulations:

(i) *The shareholding pattern of our Company for the period ending March 31, 2022 can be accessed on the website of the BSE at:*

<https://www.bseindia.com/stock-share-price/add-shop-eretail-ltd/asrl/541865/qtrid/113.00/shareholding-pattern/Mar-2022/>

(ii) *The statement showing holding of Equity Shares of persons belonging to the category “Promoter and Promoter Group” including the details of lock-in, pledge of and encumbrance thereon, for the period ending March 31, 2021 can be accessed on the website of the BSE at:*

<https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=541865&qtrid=113.00&OtrName=March%202022>

(iii) *The statement showing shareholders holding more than 1% of the total number of Equity Shares for the period ending March 31, 2022 is as follows:*

For Promoters and Promoters Group Category

<https://www.bseindia.com/corporates/shpdrPercent.aspx?scripcd=541865&qtrid=113.00&CompName=Add-Shop%20ERetail%20Ltd&OtrName=March%202022&Type=TM>

For Public Category

<https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=541865&qtrid=113.00&OtrName=Mar-22>

SECTION V: PARTICULARS OF THE ISSUE

A. OBJECTS OF THE ISSUE

We intend to utilize the issue proceeds for the following objects:

- A. Funding of working capital requirements of the Company
- B. To meet the Issue Expenses
- C. General Corporate Expenses

The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the object clause of our Memorandum. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. These are based on current circumstances of our business.

Requirement of Funds

Our funding requirement is dependent on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial condition. Such factors may entail rescheduling and/or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

The following table summarizes the requirement of funds:

Sr. No.	Particulars	Amount (Rs. In Lakhs)
A	Funding the working capital requirements of the Company	[●]
B	Issue related Expenses	[●]
C	General Corporate Expenses	[●]
	Total Issue Proceeds	[●]

Means of Finance:

We propose to meet the requirement of funds for the stated objects of the Issue from the Issue Proceeds. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 62(1)(c) of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail re-scheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013 / Companies Act, 1956.

Details of the Use of the Proceeds

A. Working Capital Requirement and basis of estimation:

Our business is working capital intensive and our company funds a majority of our working capital requirement through internal accruals and banking limits. For the expansion of our business particularly and to enter new geographical areas, our company requires additional working capital for production of organic products, which is based on our management estimations of the future business plan for the FY 2022-23.

Our company has network of farmers and distributors spread across the country and since we are in the field of organic products, we shall endeavor to grow special variety of organic plants like Aloe Vera, Turmeric, Bitter gourd, Giloy, Ashwagandha, Moringa, Tulsi, Gooseberry, Shatavari, Soyabean, Saunf (fennel), at specific soil conditions suited for achieving quality standards which shall be used in production of Organic products.

Organic Farming is a technique, which involves the cultivation of plants in natural ways. This process involves the use of biological materials, avoiding synthetic substances to maintain soil fertility and ecological balance thereby minimizing pollution and wastage.

Organic farming is a farming method that involves growing and nurturing crops without the use of synthetic based fertilizers and pesticides.

It relies on ecologically balanced agricultural principles like crop rotation, green manure, organic waste, biological pest control, mineral and rock additives. Organic farming makes use of pesticides and fertilizers if they are considered natural and avoids the use of various petrochemical fertilizers and pesticides.

Details of estimation of working capital requirement are as follows:

(Rs. in Lakhs)

Particulars	31-03-2020	31-03-2021	31-03-2022	31-03-2023
	(Audited)	(Audited)	(Audited)	(Estimation)
Cash & Bank Balance	26.11	51.68	109.32	[●]
Sundry Debtors	2190.44	3171.12	2275.67	[●]
Inventory	712.14	783.33	1946.75	[●]
Other Current Assets	8.59	2.31	34.75	[●]
Total Current Assets	2937.28	4008.44	4366.49	[●]
Sundry Creditors	1224.47	1249.11	335.39	[●]
Other Current Liabilities	265.38	429.94	448.97	[●]
Short Term Borrowings	393.26	524.85	1.95	[●]
Total Current Liabilities	1883.11	2203.9	786.31	[●]
Working Capital Gap	1054.17	1804.54	3580.18	[●]
Source of Working Capital				
Proceeds from this Right Issue				[●]
Internal Accrual	1054.17	1804.54	3580.18	[●]
Total	1054.17	1804.54	3580.18	[●]

Assumption on working capital requirement:

We have estimated our working capital requirement based on the following holding periods:

Particulars	31-03-2020	31-03-2021	31-03-2022	31-03-2023
Sundry Debtors Holding period (Months)	7.00	4.84	1.71	[●]
Inventory Holding Period (Months)	2.29	1.20	1.46	[●]
Sundry Creditor Holding Period (Months)	5.60	2.66	0.31	[●]

B. Issue Related Expense

The expenses for this Issue include issue management fees, registrar fees, legal advisor fees, printing and distribution expenses, issue related advertisement expenses, depository charges and listing fees etc. to the Stock Exchange, among others. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

Activity	Estimated Expenses (Rs. in Lakhs)	As a % of Total Estimated Issue Expenses	As a % of the Total Issue Size
Fees payable to the intermediaries like Lead Manager, RTA, Legal Advisor, Banker including Brokerage, Selling Commission and upload Fees etc.	[●]	[●]	[●]
Advertising and Marketing Expenses	[●]	[●]	[●]

Fees payable to Regulators Including Stock Exchanges	[●]	[●]	[●]
Printing and Other Miscellaneous charges	[●]	[●]	[●]
Total	[●]	[●]	[●]

C. General Corporate Purposes

The Issue Proceeds will be first utilized towards the Objects as mentioned as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with the Regulation 62(2) of SEBI ICDR Regulations, 2018. Our Company intends to deploy the balance Issue Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

(i) Strategic initiatives (ii) brand building and strengthening of marketing activities; and (iii) ongoing general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Issue Proceeds for general corporate purposes, as mentioned above.

Appraisal Entity

The Objects of the Issue have not been appraised by any bank or financial institution.

Strategic and/ or Financial Partners

There are no Strategic and Financial partners.

Bridge Financing Facilities

As on the date of this Draft Letter of Offer, we have not raised any bridge loans which are proposed to be repaid from the Issue Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement/cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue.

Interim Use of Proceeds

Pending utilization for the purposes described above, our Company intends to invest the funds in with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Issue Proceeds. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue.

Monitoring Utilization of Funds

As the Issue size is less than Rs. 10,000 Lakh, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

Our Board and the management will monitor the utilization of the Issue Proceeds through its audit committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Letter of Offer and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

Key Industry Regulation for the proposed objects of the issue (If different from existing business of issuer)

The object of the issue is to utilise the fund in the existing business activity of the company. So specific key industry regulation is same as the present industry regulation applicable to the company.

Interest of Promoter, Promoter Group and Directors, in the objects of the Issue

Our Promoter, Promoter Group and Directors do not have any interest in the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group and Directors of our Company.

B. STATEMENT OF POSSIBLE TAX BENEFITS

To,
The Board of Directors
Add-Shop E-Retail Limited
B-304, Imperial Height, 150ft Ring Road,
Rajkot-360005, Gujarat, India

Dear Sir,

Sub: Statement of possible Special tax benefit available to Add-Shop E-Retail Limited, its shareholders and its material subsidiaries (if any).

Ref: Proposed Right Issue of Equity Shares of Add-Shop E-Retail Limited.

We report that there are no possible special direct tax benefits available to the Company, its shareholders and its material subsidiaries under the Income-tax Act, 1961, presently in force in India.

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and 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 Issue.

Neither we are suggesting nor advising the investor to invest money based on this statement. The contents of this statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We hereby give consent to include this statement of tax benefits in the Draft Letter of Offer, the Letter of Offer and in any other material used in connection with the Issue.

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

We shall not be liable to Company for 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 of intentional misconduct.

Signed in terms of our separate report of even date.

For and on behalf of
M/s. J S Maheshwari & Co
Chartered Accountants
Firm Registration No: 001318C

Sd/-

CA Dilip Maliwal
(Partner)
Membership No: 148387
Place: Ahmedabad
Dated: 09.06.2022
UDIN No: 22148387AKSJX2541

SECTION VI: ABOUT THE INDUSTRY, COMPANY AND MANAGEMENT

INDUSTRY OVERVIEW

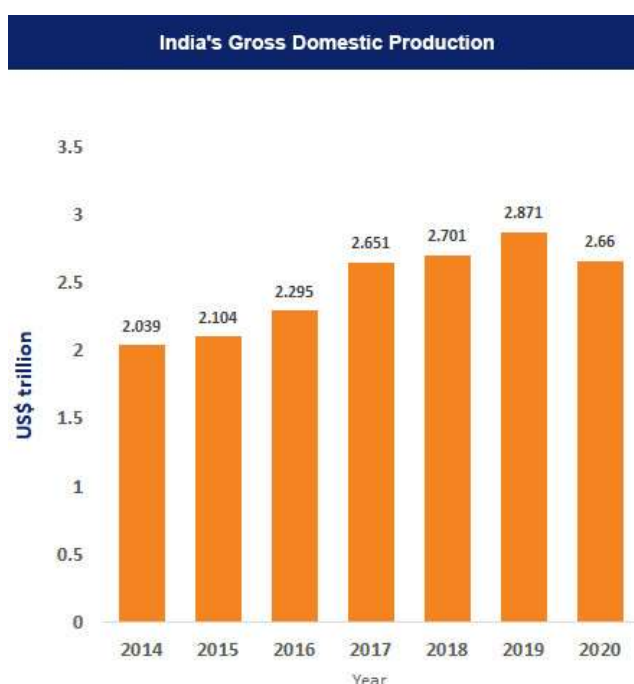
INDIAN ECONOMY

INTRODUCTION

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

MARKET SIZE

- India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY2021-22.,
- India is the third-largest unicorn base in the world with over 83 unicorns collectively valued at US\$ 277.77 billion, as per the Economic Survey. By 2025, India is expected to have 100 unicorns, which will create ~1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'.
- India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030s, for productivity and economic growth according to McKinsey Global Institute. The net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.
- According to data from the Department of Economic Affairs, as of January 28, 2022, foreign exchange reserves in India reached the US\$ 634.287 billion mark.



RECENT DEVELOPMENTS

Recent economic developments in India are as follows:

- With an improvement in the economic scenario, there have been investments across various sectors of the economy. The private equity - venture capital (PE-VC) sector recorded investments worth US\$ 6.8 billion across 102 deals in November 2021 42% higher than November 2020. Some of the important recent developments in the Indian economy are as follows:
- India's merchandise exports between April 2021 and December 2021 were estimated at US\$ 299.74 billion (a 48.85% YoY increase). In December 2021, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 56.4.
- The gross GST (Goods and Services Tax) revenue collection stood at Rs. 1.38 trillion (US\$ 18.42 billion) in January 2022. This was a 15% rise over a year ago.
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US\$ 547.2 billion between April 2000 and June 2021.
- India's Index of Industrial Production (IIP) for November 2021 stood at 128.5 against 126.7 for November 2020.
- Consumer Food Price Index (CFPI) – Combined inflation was 2.9% in 2021-22 (April-December) against 9.1% in the corresponding period last year.
- Consumer Price Index (CPI) – Combined inflation was 5.20% in 2021-2022 (April-December) against 6.6% in 2020-21
- Foreign portfolio investors (FPIs) invested Rs.50,009 crore (US\$ 6.68 billion) in the Calendar year 2021.

- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of 2.37 lakh crore (US\$ 31.74 billion) to their accounts.

GOVERNMENT INITIATIVES

The Government of India has taken several initiatives to improve the economic condition of the country. Some of these are:

- 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.
- On February 2022, Ms. Nirmala Sitharaman Minister for Finance & Corporate Affairs said that productivity linked incentive (PLI) schemes to be extended to 14 sectors for achieving the mission of AtmaNirbhar Bharat and create 60 lakh (6 million) and an additional production of Rs. 30 lakh crore (US\$ 401.49 billion) in the next 5 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 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 Finance Minister Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G will be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which is expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement to 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.
- Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for 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).
- Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that Reserve Bank of India (RBI) will 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 has announced to reform the 16-year-old Special Economic Zone (SEZ) act to enhance competitiveness this will be done to make it compatible with the World Trade Organisation (WTO).
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- To boost the overall audit quality, transparency and add value to businesses, in April 2021, the RBI issued a notice on new norms to appoint statutory and central auditors for commercial banks, large urban co-operatives and large non-banks and housing finance firms.
- In May 2021, the Government of India has allocated Rs. 2,250 crore (US\$ 306.80 million) for the development of the horticulture sector in 2021-22.
- 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. Mr. Narendra Modi, Prime Minister of India, 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 3 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, NITI Aayog and Cisco collaborated to encourage women's entrepreneurship in India.
- 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 digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In June 2021, RBI Governor, Mr. Shaktikanta Das announced the policy repo rate unchanged at 4%. He also announced various measures including Rs. 15,000 crore (US\$ 2.05 billion) liquidity support to contact-intensive sectors such as tourism and hospitality.
- In June 2021, Finance Ministers of G-7 countries, including the US, the UK, Japan, Italy, Germany, France and Canada, attained a historic contract on taxing multinational firms as per which the minimum global tax rate would be at least 15%. The move is expected to benefit India to increase foreign direct investments in the country.
- In June 2021, the Indian government signed a US\$ 32 million loan with World Bank for improving healthcare services in Mizoram.
- In May 2021, the Government of India (GoI) and European Investment Bank (EIB) signed the finance contract for second tranche of EUR 150 million (US\$ 182.30 million) for Pune Metro Rail project.
- According to an official source, as of September 15, 2021, 52 companies have filed applications under the Rs. 5,866 crore (US\$ 796.19 million) production-linked incentive scheme for the white goods (air conditioners and LED lights) sector.
- In May 2021, Union Cabinet has approved the signing of memorandum of understanding (MoU) on migration and mobility partnership between the Government of India, the United Kingdom of Great Britain and Northern Ireland.
- In April 2021, Minister for Railways and Commerce & Industry and Consumer Affairs, Food & Public Distribution, Mr. Piyush Goyal, launched 'DGFT Trade Facilitation' app to provide instant access to exporters/importers anytime and anywhere.
- 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 going to increase public health spending to 2.5% of the GDP by 2025.

ROAD AHEAD

Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, on January 21, 2022 said that Indian industry to raise 75 unicorns in the 75 weeks leading up to the country's 75th anniversary next year.

Mr. Piyush Goyal said that India will achieve exports worth US\$ 650 billion in the financial year 2021-22.

India's electronic exports are expected to reach US\$ 300 billion by 2025-26 this will be nearly 40 times the FY2021-22 exports (till December 2021) of US\$ 67 billion.

As per the data published in a Department of Economic Affairs report, in the first quarter of FY22, India's output recorded a 20.1% YoY growth, recovering >90% of the pre-pandemic output in the first quarter of FY20. India's real gross value added (GVA) also recorded an 18.8% YoY increase in the first quarter of FY22, posting a recovery of >92% of its corresponding pre-pandemic level (in the first quarter of FY20). Also, in FY21, India recorded a current account surplus at 0.9% of the GDP. The growth in the economic recovery is due to the government's continued efforts to accelerate vaccination coverage among citizens. This also provided an optimistic outlook to further revive industrial activities.

As per RBI's revised estimates of July 2021, the real GDP growth of the country is estimated at 21.4% for the first quarter of FY22. The increase in the tax collection, along with government's budget support to states, strengthened the overall growth of the Indian economy.

India is focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30% and have plans to increase its renewable energy capacity from to 175 gigawatt (GW) by 2022. In line with this, in May 2021, India, along with the UK, jointly launched a 'Roadmap 2030' to collaborate and combat climate change by 2030.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to

surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by PricewaterhouseCoopers.

INDIA TO BECOME AATMANIRBHAR IN PHOSPHATIC FERTILISERS

Introduction

Agriculture, including its allied sector, is the largest source of income in India. According to an article in Down to Earth, the sector contributes 19.9% to the country's GDP (as of FY 2020-21), with 54.6% of the population engrossed in agricultural activities. While India may have achieved self-reliance in production of food grains, the production process is labour-intensive and regionally biased. As most rural households mainly depend on farming for their livelihood and the country's agricultural land suffers from varied degrees of degradation and erosion, many farmers use chemical and organic fertilisers to improve plant nutrients and crop yields; therefore, boost their earnings.

The agricultural sector's success largely depends on the fertiliser industry, which manufactures some of the most important raw materials required for production of crops. Moreover, the Indian fertiliser industry is extremely crucial as it produces phosphorous-based fertilisers such as diammonium phosphate (DAP), monoammonium phosphate (MAP), nitrogen, phosphorus, and potassium (NPKs) and single superphosphate (SSP) which aids in the development of healthy crops. To manufacture these fertilisers, the country mainly depends on rock phosphate, which is a common, key raw material and largely sourced from Rajasthan and Madhya Pradesh. Despite this, India imports 90% rock phosphate from other countries.

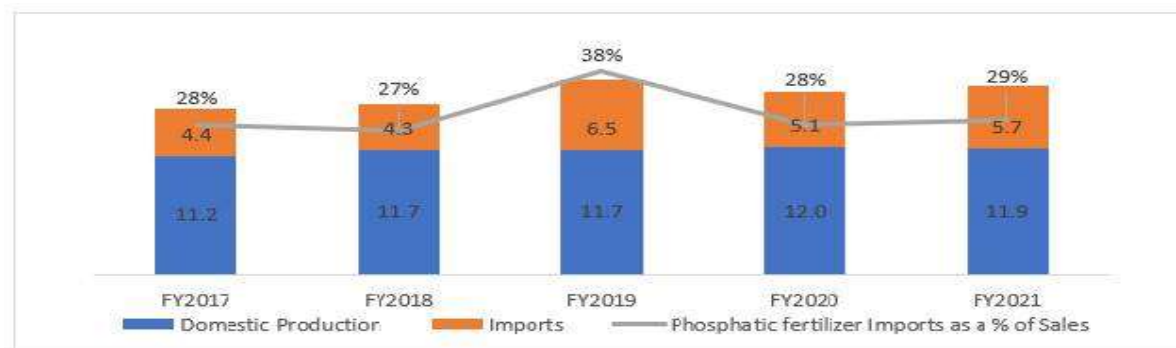
Current production of phosphatic fertilisers in India

The fertiliser industry is highly regulated and monitored by the Indian government. Following this, the government reimburses the price difference between the cost of fertiliser production and price at which it is sold to the beneficiary in the form of subsidy. According to government data, the overall fertilisers production stood at 37 million metric tonnes, a 3% increase in the first 10 months of FY2021 compared with 36 million in the first 10 months of FY2020. Moreover, the country's import dependence (i.e., imports as a proportion of production plus imports) rose from 36% in first 10 months of FY2020 to 38% in the first 10 months of FY2021.

Chart 1: Production, Import and Sales of Key Fertilisers in India (Unit: million metric tonnes)



Source: Coromandel Investor Presentation, May 2021



Source: Coromandel Investor Presentation, May 2021

Commodity	2Q2020	3Q2020	4Q2020	1Q2021	2Q202021
DAP	272.7	335.1	368.4	494.8	574.3
Rock Phosphate	72.9	77.1	81.9	89.8	107.5
Triple superphosphate (TSP)	242.7	273.7	300.8	416.5	518.5

Source: World Bank Commodities Price Data (The Pink Sheet), July 2021

In FY2021, the production of DAP, which is the second-most popular fertiliser among Indian farmers after urea, grew steadily at 1.9% between FY2020 and FY2021, compared to the sizeable growth of 8% between FY2019 and FY2020. This reduction in growth percent was due to shortage of raw materials and increase in prices of inputs, primarily rock phosphate. Although the demand for rock phosphate drastically declined between October 2019 and October 2020, in FY2021, the country has recorded a gradual uptrend in demand due to unlocking of the economy. Moreover, prices for rock phosphate and other raw materials such as phosphoric acid, ammonia and sulphur are likely to surge due to tight supply but high demand from countries like India and China; this is expected to augment the overall retail price of phosphatic fertilisers and therefore, hamper the country's agricultural developments.

To improve availability of phosphatic fertilisers, lower the country's high dependency on rock phosphate imports and combat the volatility in international prices, which affect the domestic prices of fertilisers, in June 2021, the government announced that the Ministry of Chemicals and Fertilisers has outlined an action plan to accelerate exploration and mining of available rock phosphate reserves in the country.

Following this, Mr. Mansukh Mandaviya, the Minister of Chemicals and Fertilisers, said, "I am glad that the Department of Fertilisers is ready with an action plan to make India Aatmanirbhar (self-reliant) in rock phosphate, the key raw material of DAP and NPK fertilisers."

Steps taken to boost production of rock phosphate

To make India self-reliant in production of fertilisers through indigenous resources, the Ministry of Chemicals and Fertilisers, under the Indian government, rolled out the following action plan:

Rise in subsidy rates of phosphorus-based fertilisers

- In June 2021, the Cabinet Committee on Economic Affairs approved the proposal to hike subsidy rates for phosphorus-based fertilisers by 140% in a bid to provide relief to farmers owing to the start of kharif sowing season. This additional subsidy, which totalled Rs. 14,775 crore (US\$ 1.98 billion), was announced as a one-time measure as of the COVID-19 relief.

Expand production of phosphorite deposits

- The Ministry of Chemicals and Fertilisers directed domestic manufacturing companies to commercially exploit and increase production in the existing phosphorite deposits (three million metric tonnes), which are available in Rajasthan, Hirapur in Madhya Pradesh, central part of Peninsular India, Lalitpur in Uttar Pradesh, Mussoorie Syncline in Uttarakhand and Cuddapah Basin in Andhra Pradesh.

Explore potential potassic ore resources

- The Department of Mining and Geological Survey planned to expedite exploration of potential potassic ore resources in Rajasthan's Satpura, Bharusari and Lakhasar; and other states including Uttar Pradesh, Madhya Pradesh, Rajasthan, Gujarat, Andhra Pradesh and Karnataka.

Encourage joint ventures abroad

- The Department of Mining and Geological Survey planned to expedite exploration of potential potassic ore resources in Rajasthan's Satpura, Bharusari and Lakhasar; and other states including Uttar Pradesh, Madhya Pradesh, Rajasthan, Gujarat, Andhra Pradesh and Karnataka.

Focus on acquiring manufacturers of fertiliser raw materials abroad

- The Department of Fertilisers is working to acquire manufacturers of fertilisers and raw materials overseas to secure the supply of raw materials to India.

Outlook

In conclusion, India aims to be self-reliant in overall fertiliser production by 2023 as the government is constructing new manufacturing units to reduce dependency on imports. In addition, the government is likely to spend Rs. 1.19 trillion (US\$ 15.97 billion) in FY2021 in the form of subsidy components to the farmers for the fertilisers. Following this and the government's action plans under the 'Aatmanirbhar Bharat' initiative will aid and accelerate India's steps in becoming self-reliant to manufacture phosphatic fertilisers in years to come.

INDIA EMERGING AS A GLOBAL WELLNESS AND AYURVEDA HUB

Overview

The Indian wellness industry—estimated at Rs. 49,000 crore (US\$ 6.70 billion)—is gaining momentum on the back of government focus on building a healthy and fit India. Ayurveda is an alternative medicine system with historical roots in India. The Indian wellness and ayurveda industries go hand in hand. Ayurveda is globally acclaimed for its preventive healthcare properties and treatment of many chronic lifestyle disorders. The Indian ayurveda industry has several large players, with the micro, small and medium enterprises (MSMEs) capturing 80% market share. Ayurveda is witnessing a resurgence in India because people have accepted this as a way of life as opposed to the earlier notion of ayurveda as an alternative area of medicine.

AYUSH

The government set up the Ministry of AYUSH (Ayurveda, Yoga, Unani, Siddha and Homoeopathy) in November 2014 to promote the country's indigenous alternative medicines including education and research. The objectives of AYUSH include the following:

- Upgrading educational standards of the Indian Systems of Medicines & Homoeopathy colleges
- Strengthening existing research institutions and facilitating time-bound research programmes
- Outlining schemes for promotion, cultivation and regeneration of medicinal plants
- Evolving Pharmacopoeial standards for the Indian Systems of Medicine & Homoeopathy drugs

A budget of ~Rs. 3,400 crore (US\$ 464.68 million) is set aside for the next five years—towards Ayush Wellness Centres under the National Ayush Mission. The centre has contributed towards the wellness sector by revamping the existing 1.5 lakh health centres across the country.

Key Developments & Trends in India's Wellness and Ayurveda Sectors Initiatives by the National Medical & Wellness Tourism Board

The Services Export Promotion Council, the Ministry of Commerce, estimates the global medical tourism market to be worth US\$ 46.6 billion in 2021, with Asia-Pacific accounting for the largest share (40%). In a bid to position India as the global wellness and ayurveda hub, the tourism ministry is planning to register all wellness centres in the country after the pandemic. Mr. Prahalad Patel, Minister of Tourism, during the National Medical and Wellness Tourism Board meeting held in December 2020, outlined various measures to aid medical tourism—such as creating a database of all wellness centres and separate hubs for ayurveda and allopathy to help tourists make the right choices. Other important recommendations by the board were to increase the number of hospitals falling under the international standards of Joint Commission International (JCI) so that tourists have more hospitals to choose from. And also, upgrade hospitals under the National Accreditation Board for Hospitals & Healthcare Providers (NABH) and elevate them to the JCI level of hospital. Granting of medical visas are also under consideration.

Travel & Hospitality — Enablers of the Wellness and Ayurveda Sector

Travel firms reveal that travellers are now increasingly looking at destinations offering wellness experiences—Goa, Kerala, Meghalaya, Karnataka, etc. Most travel firms now offer wellness packages to their customers.

Mr. Rajeev Kale, President and Country Head – Holidays, MICE, Visa and Thomas Cook India, revealed that the travel firm has launched 'wellness breaks' comprising a range of programmes such as meditation, yoga sessions, spa sessions, dietician consultation and nature walks, with a starting price of Rs. 6,500 (US\$ 88.84). "These holidays are being well received by a wide range of consumer segments including millennials, young working professionals and couples," said Mr. Rajeev.

Many hotels have tie ups with ayurveda and wellness centres where guests can reside at hotels and avail wellness & ayurveda facilities in the hotel premises. Indian Hotels Company Limited (IHCL), which runs the Taj Group of Hotels, revealed that its guests are opting for wellness programmes to relieve themselves from stress, leading to an average 50% increase in demand for spa treatments every month. Mr. Anil Chadha, Chief Operating Officer, ITC Hotels, highlighted that spa is emerging as one of the favourite spaces during the pandemic. The group introduced Taj Wellness in-house retreats in September 2020 across select hotels in partnership with spa brand Jiva Ayurveda.

WHO's Launch of Ayurveda Research Institutions

In November 2020, the World Health Organisation (WHO) selected India to set up a traditional medicine centre to strengthen research, training and awareness of ayurveda. After the announcement, Prime Minister Mr. Narendra Modi inaugurated two ayurveda institutions—The Institute of Teaching and Research in Ayurveda (ITRA), Jamnagar (Gujarat), and the National Institute of Ayurveda (NIA), Jaipur (Rajasthan). Mr. Modi also emphasised on the need to come up with a new international standard curriculum in ayurveda.

WHO Director General, Mr. Tedros Adhanom Ghebreyesus, stated that the new centres will support WHO's traditional medicine strategy 2014-2023, which aims to support countries in developing policies and action plans to strengthen the role of ayurveda.

The AYUSH ministry revealed that the Jamnagar institute was conferred the status of an Institution of National Importance (INI) by a parliamentary act and another college in Jaipur was designated an 'Institution Deemed to be University (De novo Category)' by the University Grants Commission (UGC).

Research Collaborations

In January 2020, IIT Delhi and the All India Institute of Ayurveda signed an MoU to study the therapeutic benefits of herbal formulations and wellness. Seven collaborations focusing on various Ayurvedic formulations and practices have been planned for the next two years. These include the following:

- Examine the effect of six ayurvedic juices on gastrointestinal secretions
- Develop herbal formulations to reduce harmful effects of reusing cooking oil
- Develop a biodegradable herbal wound dressing
- Study the effects of '*Brahmari Pranayama*' on the nervous system
- Examine the impact of ashes on proteins implicated in neurodegenerative diseases
- Develop '*Dhoopan Yantra*'—a fumigation device for aiding wound healing
- Gauge if ayurvedic drugs help in early detection of cancer and assess response to these drugs in treating breast cancer

Yoga to be Integrated with Education

Experts feel that Budget 2021 should recognise yoga centres by giving them a strong platform to be carriers of education, training and research in the country. Ms. Shivani Gupta, Founder of Hellomyoga, promotes yoga worldwide by designing educational yoga courses to pass on the heritage of traditional healing to students. She emphasises the importance of these initiatives to promote healthy practices among people, which is the foundation of India's economy. She stated "My expectation with Budget 2021 is encouragement in the digital integration of yoga and ayurveda courses and programmes, as this will ensure both qualitative and quantitative expansion of the ancient healing science".

Experts such as Ms. Shivani have also highlighted that yoga should be introduced as a regular activity in schools and universities to enhance value education and promote the importance of self-care. Most schools are trying to engage students in yoga by appointing guest trainers. In November 2020, Madhya Pradesh Chief Minister Mr. Shivraj Singh Chouhan announced that yoga education has been made mandatory in the new education policy and will be imparted in every school across the state.

Wellness Experiences at Home through HomeServices

With the current lockdown, home service providers such as Urban Clap have witnessed 250% growth in massage and spa services in the recent months. These services are priced between Rs. 1,200 (US\$ 16.40) and Rs. 1,700 (US\$ 23.23). Mr. Rahul Deorah, Vice President – Marketing, Urban Company, revealed, "Our spa at-home service has grown significantly since the lockdown with the business back to almost 80% of the pre-covid peak. Mostly, metropolitan cities are driving this growth. There is demand for multiple service packages—stress relief, pain relief, detoxification and other signature therapies."

Ayurveda at the Top of Immunity Boosting Shelves

Ayurveda is touching every area of our lives for its healing and immunity boosting properties. In January 2021, Eureka Forbes, India's largest water purifier brand, introduced Dr. Aquaguard with Ayurfresh technology that infuses the goodness of seven ayurvedic ingredients in every glass water.

Innovative restaurants are now launching ayurvedic herb-based dishes on their menu. Some restaurants that grabbed headlines were a Kolkata sweet shop that introduced 'immunity *sandesh*'—infused with 15 herbs & spices including turmeric, basil, saffron, cardamom and Himalayan honey; Rooh, a restaurant in New Delhi offering cocktails and mocktails infused with six tastes of ayurveda; Daryaganj, an award-winning chain of fine-dining restaurants offering traditional drinks with jaggery, lemon and turmeric and a cumin-carom seed herbal tea.

FMCG outlets are critical in showcasing Ayurveda products such as herb-infused energy drinks, ayurvedic shakes, herbal powders and juices & immunity boosters. Herbal healthcare manufacturers such as Himalaya Drug Co., Dabur and Kapiva have introduced a range of ayurveda products to its portfolio containing herbs, juices, powders, health tonics and green teas.

The Road Ahead

A report by 'Research and Markets' covered a government survey, revealing 45% Indians born between 1982 and 2000 aspire a healthy lifestyle, use fitness apps on their phones and are willing to pay a premium for good health. Millennials prioritising a healthy life is expected to drive sales in the Indian ayurveda market to ~US\$ 10 billion by 2024, from US\$ 4 billion in 2018. Besides fatigue caused by the lockdown, straining work-from-home models and constant fear of infection have boosted the demand for ayurvedic products and wellness packages from domestic and international consumers.

India has the potential to become a health and wellness hub, attracting investments and creating additional jobs. The government has set a target of increasing spending on healthcare from the current 1.3% to 3% of its GDP by 2022. With continuous support from the government and various industries shifting towards a healthy ayurveda-based approach, the Indian wellness & ayurveda market is on its way to touch the lives of millions of people at domestic and global levels.

FMCG INDUSTRY IN INDIA

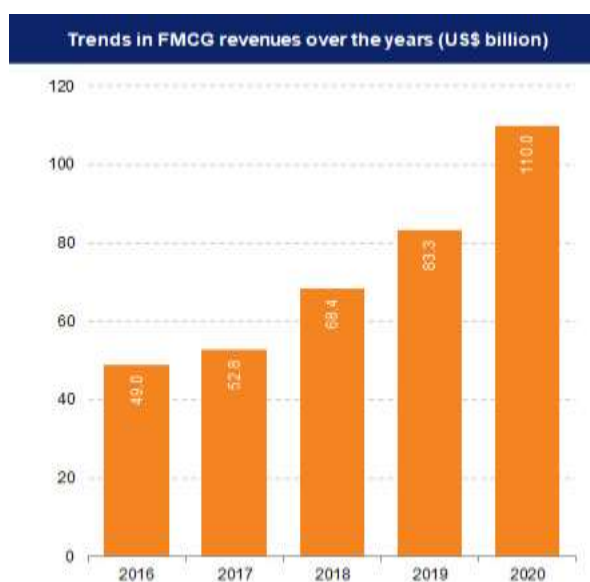
INTRODUCTION

Fast-moving consumer goods (FMCG) sector is India's fourth-largest sector with household and personal care accounting for 50% of FMCG sales in India. Growing awareness, easier access and changing lifestyles have been the key growth drivers for the sector. The urban segment (accounts for a revenue share of around 55%) is the largest contributor to the overall revenue generated by the FMCG sector in India. However, in the last few years, the FMCG market has grown at a faster pace in rural India compared to urban India. Semi-urban and rural segments are growing at a rapid pace and FMCG products account for 50% of the total rural spending.

MARKET SIZE

The FMCG market in India is expected to increase at a CAGR of 14.9% to reach US\$ 220 billion by 2025, from US\$ 110 billion in 2020. The Indian FMCG industry grew by 16% in CY21 a 9-year high, despite nationwide lockdowns, supported by consumption-led growth and value expansion from higher product prices, particularly for staples. The rural market registered an increase of 14.6% in the same quarter and metro markets recorded positive growth after two quarters. Final consumption expenditure increased at a CAGR of 5.2% during 2015-20. According to Fitch Solutions, real household spending is projected to increase 9.1% YoY in 2021, after contracting >9.3% in 2020 due to economic impact of the pandemic. The FMCG sector's revenue growth will double from 5-6% in FY21 to 10-12% in FY22, according to CRISIL Ratings. Price increases across product categories will offset the impact of rising raw material prices, along with volume growth and resurgence in demand for discretionary items, are driving growth. The FMCG sector grew by 36.9% in the April-June quarter of 2021 despite lockdowns in various parts of the country.

Number of households shopping on modern-trade channel grew 29.15% YoY in the September quarter and shopping volume on the channel went up by 19.2% YoY.



In September 2021, rural consumption of FMCG increased 58.2% YoY; this is 2x more than the urban consumption (27.7%).

In the third quarter of FY20 in rural India, FMCG witnessed a double-digit growth recovery of 10.6% due to various government initiatives (such as packaged staples and hygiene categories); high agricultural produce, reverse migration, and a lower unemployment rate. Rise in rural consumption will drive the FMCG market. The Indian processed food market is projected to expand to US\$ 470 billion by 2025, up from US\$ 263 billion in 2019-20.

FMCG giants such as Johnson & Johnson, Himalaya, Hindustan Unilever, ITC, Lakmé and other companies (that have dominated the Indian market for decades) are now competing with D2C-focused start-ups such as Mamaearth, The Moms Co., Bey Bee, Azah, Nua and Pee Safe. Market giants such as Revlon and Lotus took ~20 years to reach the Rs. 100 crore (US\$ 13.4 million) revenue mark, while new-age D2C brands such as Mamaearth and Sugar took four and eight years, respectively, to achieve that milestone.

Companies with dedicated websites recorded an 88% YoY rise in consumer demand in 2020. Since then, more businesses have begun to adopt the D2C model, and India is now home to >800 D2C brands looking at a US\$ 101 billion opportunity by 2025.

E-commerce companies reported sales worth US\$ 9.2 billion across platforms in October and November (2021), driven by increased shopping during the festive season. With festive season sales, Flipkart Group emerged as the leader with a 62% market share.

Advertising volumes on television recorded healthy growth in the July-September quarter, registering 461 million seconds of advertising, which is the highest in 2021. FMCG continued to maintain its leadership position with 29% growth in ad volumes against the same period in 2019. Even the e-commerce sector showed a healthy 26% jump over 2020.

INVESTMENTS

The Government has allowed 100% Foreign Direct Investment (FDI) in food processing and single-brand retail and 51% in multi-brand retail. This would bolster employment, supply chain and high visibility for FMCG brands across organised retail markets thereby bolstering consumer spending and encouraging more product launches. The sector witnessed healthy FDI inflows of US\$ 20.01 billion from April 2000-December 2021.

Some of the recent developments in the FMCG sector are as follows:

- In February 2022, Dabur India, formed an exclusive partnership with energy provider Indian Oil, which will give Dabur's products direct access to around 140 million Indane LPG consumer households across India.
- Beco, a startup in India, is revolutionising the FMCG market with low-cost, environmentally-friendly consumer goods.
- In February 2022, Dabur India achieved its goal to collect, process, and recycle approximately 22,000MT of post-consumer plastic three months early.
- In February 2022, Marico Ltd announced its aims to achieve net-zero emissions by 2040 in its global operations.
- In November 2021, Tata Consumer Products (TCPL) signed definitive agreements to acquire 100% equity shares of Tata SmartFoodz Limited (TSFL) from Tata Industries Limited for a cash consideration of Rs. 395 crore (US\$ 53.13 million). This move was in line with TCPL's strategic intent to expand into the value-added categories.
- In November 2021, Unilever Plc agreed to sell its global tea business to CVC Capital Partners for EUR 4.5 billion (US\$ 5.1 billion). The business being sold—Ekaterra—hosts a portfolio of 34 tea brands, including Lipton, PG Tips, Pukka Herbs and TAZO.
- In November 2021, McDonald's India partnered with an FMCG company ITC to add a differentiated fruit beverage, B Natural, to its Happy Meal, which will be available across all McDonald's restaurants in South and West India, primarily catering to children aged 3–12 years.
- In October 2021, Procter & Gamble announced an investment of Rs. 500 crore (US\$ 66.8 million) in rural India.
- In September 2021, PepsiCo commissioned its Rs. 814 crore (US\$ 109.56 million) Kosi Kalan foods facility in Mathura, Uttar Pradesh; it is the company's largest greenfield manufacturing investment in India.
- In September 2021, Vahdam India, an Indian tea brand, raised Rs. 174 crore (US\$ 24 million) as part of its Series D round led by IIFL AMC's Private Equity Fund.
- In September 2021, RP-Sanjiv Goenka Group entered the personal-care segment by launching skin and haircare products, aiming at a revenue of Rs. 400-500 crore (US\$ 53.84-67.30 million) in the next 4-5 years
- In September 2021, Adani Wilmar announced the opening of physical stores under the name 'Fortune Mart' that will exclusively sell Fortune and other Adani Wilmar brand products.
- In August 2021, Apnaklub, a Bengaluru-based B2B wholesale marketplace for consumer goods, raised US\$ 3.5 million in a seed round from Sequoia Capital India's Surge, increasing the total funds to US\$ 5 million.
- In August 2021, Soothe Healthcare, an Indian personal hygiene products brand, raised Rs. 130 crore (US\$ 17.54 million) in a Series-C round of funding from A91 Partner Partners.
- In August, Adani Wilmar, a 50/50 joint venture between Adani Group and Singapore-based Wilmar, filed for initial public offering (IPO) to raise up to Rs. 4,500 crore (US\$ 607.13 million) for expansion.
- In the fourth quarter of FY21, e-commerce sales of Marico Ltd., Hindustan Unilever Ltd., Dabur India, ITC and Godrej Consumer Products Ltd. were 8%, 6%, 5%, 5%, and 4%, respectively, of the total FMCG sales.
- In July 2021, Emami Ltd. increased its stake (by 15% to 46%) in Helios Lifestyle, which sells male-grooming products under The Man Company brand in line with its ambition to tap emerging online opportunities.
- In July 2021, Tata Consumer Products Ltd. introduced 'Eight O'Clock', America's Original Gourmet Coffee, under D2C, besides Tata Coffee 1868 and Sonnets, as a part of its strategy to enhance its D2C approach for select coffee brands and their specific websites. The company plans to add more brands in the D2C space as these three coffee brands stabilise.
- In July 2021, HUL launched in-store vending machine model, Smart Fill machine, for its home care products with the aim to reuse and recycle plastic. Smart Fill machine will allow consumers to reuse plastic bottles by refilling products from its brands like Surf Excel, Comfort and Vim.
- As of June 2021, e-commerce share has already touched 7-8% for some of the largest FMCG companies in the country, according to Accenture India.
- In June 2021, Dabur India announced its Rs. 550 crore (US\$ 75.6 million) investment to set up a new plant in Madhya Pradesh for manufacturing of food products, ayurvedic medicines and health supplements.
- In May 2021, Tata Digital Ltd., a 100% subsidiary of Tata Sons, acquired a 64.3% stake in supermarket grocery supplies, the business-to-business arm of BigBasket in tandem with Tata Group's strategy to build a digital consumer ecosystem. According to the Economic Times, the deal is worth US\$ 1.8-2 billion.
- In May 2021, Nepal-based CG Corp Global, known for its popular noodles brand Wai Wai, announced its plan to invest Rs. 200 crore (27.42 million) to set up two new manufacturing plants in West Bengal and Uttar Pradesh.

GOVERNMENT INITIATIVES

Some of the major initiatives taken by the Government to promote the FMCG sector in India are as follows:

- In November 2021, Flipkart signed an MoU with the Ministry of Rural Development of the Government of India (MoRD) for their ambitious Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM) programme to empower local businesses and self-help groups (SHGs) by bringing them into the e-commerce fold.
- Companies are counting on recent budget announcements like direct transfer of Rs. 2.37 lakh crore (US\$ 30.93 billion) in minimum support payment (MSP) to wheat and paddy farmers and the integration of 150,000 post offices into the core banking system to expand their reach in rural India.
- On November 11, 2020, Union Cabinet approved the production-linked incentive (PLI) scheme in 10 key sectors (including electronics and white goods) to boost India's manufacturing capabilities, exports and promote the 'Atmanirbhar Bharat' initiative.
 - Developments in the packaged food sector will contribute to increased prices for farmer and reduce the high levels of waste. In order to provide support through the PLI scheme, unique product lines—with high-growth potential and capabilities to generate medium- to large-scale jobs—have been established.
- The Government of India has approved 100% FDI in the cash and carry segment and in single-brand retail along with 51% FDI in multi-brand retail.
- The Government has drafted a new Consumer Protection Bill with special emphasis on setting up an extensive mechanism to ensure simple, speedy, accessible, affordable and timely delivery of justice to consumers.
- The Goods and Services Tax (GST) is beneficial for the FMCG industry as many of the FMCG products such as soap, toothpaste and hair oil now come under the 18% tax bracket against the previous rate of 23-24%. Also, GST on food products and hygiene products has been reduced to 0-5% and 12-18% respectively.
- GST is expected to transform logistics in the FMCG sector into a modern and efficient model as all major corporations are remodelling their operations into larger logistics and warehousing.

ROAD AHEAD

Rural consumption has increased, led by a combination of increasing income and higher aspiration levels. There is an increased demand for branded products in rural India.

On the other hand, with the share of unorganised market in the FMCG sector falling, the organised sector growth is expected to rise with increased level of brand consciousness, augmented by the growth in modern retail.

Another major factor propelling the demand for food services in India is the growing youth population, primarily in urban regions. India has a large base of young consumers who form majority of the workforce, and due to time constraints, barely get time for cooking.

Online portals are expected to play a key role for companies trying to enter the hinterlands. Internet has contributed in a big way, facilitating a cheaper and more convenient mode to increase a company's reach. The number of internet users in India is likely to reach 1 billion by 2025. It is estimated that 40% of all FMCG consumption in India will be made online by 2020. The online FMCG market is forecast to reach US\$ 45 billion in 2020 from US\$ 20 billion in 2017.

It is estimated that India will gain US\$ 15 billion a year by implementing GST. GST and demonetisation are expected to drive demand, both in the rural and urban areas, and economic growth in a structured manner in the long term and improved performance of companies within the sector.

OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft letter of offer, including the information contained in the section titled 'Risk Factors', beginning on page no. **20** of this Draft Letter of Offer.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled '**Risk Factors**' and the chapters titled '**Financial Information**' and '**Management Discussion and Analysis of Financial Conditions and Results of Operations**' beginning on page no. **20**, **69**, and **106** respectively, of this Draft Letter of Offer.

Unless the context otherwise requires, in relation to business operations, in this section of this Draft Letter of Offer, all references to "we", "us", "our" and "our Company" are to Add-Shop ERetail Limited and Group Entities as the case may be.

Overview

About the Group:

Add -Shop is founded by Mr. Dineshbhai Pandya and engaged in products like ayurvedic, food supplement, agricultural, animal feed supplement and personal care. Our Promoter and Managing Director Dineshbhai Pandya is visually impaired person and a first-generation entrepreneur, trainer and motivator. He has experience in the field of Ayurvedic and Pharma. He is awarded "Golden Books of records" for most village assemblies addressed by a differently able person. The Company was incorporated by him with a vision to find and implement solutions for two very deep-rooted challenges of our nation like unemployment & unhealthiness of our citizens.

In the Retail Sector, our company has built a vast bouquet of products with sole motive of promoting 'Healthy Living'. It produces & distributes more than 120 products through traditional & online channels in categories like

- ✓ **Ayurveda Supplements**
- ✓ **Animal Feed Supplements**
- ✓ **Herbal Cosmetics**
- ✓ **Personal Care**
- ✓ **Organic Fertilizer**

Our Company has also been awarded for being in Top 100 SME IPO in the year 2018-19.

About the Issuer Company:

Add -Shop ERetail Limited was originally incorporated on August 20, 2013 as "**Add-Shop Promotions Private Limited**" having its registered office at Shree Ashapura Complex, Shop No. 202, 2nd Floor, Opp. Ahya Commercial Centre, Gondal Road, Rajkot-36002, Gujarat, India, under the provisions of the Companies Act, 1956 bearing Certificate of Incorporation No. U51109GJ2013PTC076482 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently our Company was converted into a Public Limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on June 11, 2018 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Gujarat, Ahmedabad dated June 21, 2018 and name of our Company was changed to Add-Shop Promotions Limited and a fresh certificate of incorporation was issued bearing U51109GJ2013PLC076482. The name of the Company was further changed to Add-Shop ERetail Limited and a fresh certificate of Incorporation bearing CIN No. L51109GJ2013PLC076482 was issued by Registrar of Companies Ahmedabad, Gujarat on May 26, 2020.

The Achievements of our Company and Promoters are :

- **India SME 100 Awards of 2018-19 for making into top 100 SMEs**
- **Appreciation from CM of Gujarat for contributing towards cashless revolution**
- **Golden Book of world records for most village assemblies addressed by a differently able person**



The equity shares of our company are listed on BSE Limited (“BSE”) since September 10, 2018.

Currently, our registered office and corporate office is located at B-304, Imperial Height, 150ft Ring Road, Rajkot -360005, Gujarat, India. Currently, our business activities include:

- Trading & Manufacturing of Organic Fertilizer & Animal feed supplements
- Trading & Manufacturing of Herbal Cosmetics & Personal Care
- Trading of Ayurvedic Medicines

Business Operations and Our Products

Our Current portfolio of products include the following:

Agriculture and Animal feed supplements	Organic Bio Stimulant	Ayurvedic Medicines	Herbal Cosmetics	Personal Care
<i>ASP 90</i>	<i>DNC 90 PREMIUM</i>	<i>DADAJI DETOX SUDHA TABLET</i>	<i>BITUS FACIAL KIT</i>	<i>DADAJI NATURAL FACE WASH</i>
<i>CROPSUDHA LIQUID</i>	<i>BHOOMISUDHA PREMIUM</i>	<i>DADAJI IMMUNE KADHA</i>	<i>BIT US SUN SCREEN LOTION</i>	<i>DADAJI ALOVERA GEL</i>
<i>CROPSUDHA</i>	<i>CROP VITTA</i>	<i>DYZALEX CHURNA</i>	<i>BIT US NIGHT CREAM</i>	<i>PREMIUM DAADJI SHAMPOO</i>
<i>CATTLESUDHA</i>	<i>BHOOMISUDHA</i>	<i>PAINODEX OIL</i>	<i>BIT US PEEL OF MASK</i>	<i>DADAJI AYURVEDIC HAIR OIL</i>
	<i>3B (BLACK BIO BOOSTER)</i>	<i>MADHUMIN CHURNA</i>	<i>BIT US SHAVING CREAM</i>	<i>DADAJI NATURAL SHAMPOO</i>
	<i>DOJ-80</i>	<i>IMMUNAX CAPSULE</i>	<i>BIT US SHAVING GEL</i>	<i>BIT US LEMON FRESH SOAP</i>
	<i>DNC-90</i>	<i>KARKYUMAX CAPSULES</i>	<i>BIT US PIMPLE CREAM</i>	<i>BIT US CLEANSING MILK</i>
		<i>HERSUDHA</i>	<i>BIT US SKIN LIGHTENING CREAM</i>	<i>BIT US HAIR CONDITIONER</i>
		<i>SKEENSUDHA</i>		<i>BIT US HAIR SERUM</i>
		<i>ASP FIMEL SHAKTI</i>		<i>BIT US BEAUTY SOAP</i>



		<i>HEM SUDHA</i>		<i>BIT US GEL FACE WASH</i>
		<i>HARDAYSUDHAA</i>		<i>ASP LUXUROUS BATH SOAP</i>
		<i>ASP HRADAYA</i>		<i>ASP ALOE GLYCERIN BATH SOAP</i>
		<i>ASP ALOVEERA</i>		<i>ASP SAFFRON OLIVO BEAUTY SOAP</i>
		<i>NACHARSUDHA</i>		<i>ASP HERBAL SHAMPOO</i>
		<i>BRENSUDHA</i>		<i>ASP HAIR OIL</i>
		<i>ASP MADHUSHAKTI</i>		<i>DENTOSUDHA TOOTH PASTE</i>
		<i>ASP HEMSUDHA</i>		
		<i>SATAYU</i>		
		<i>KARKYU SUDHA</i>		
		<i>SKEENSUDHA</i>		
		<i>ASP MELSHAKTI</i>		
		<i>ASP SATAVARI</i>		
		<i>NECHARSUDHA</i>		
		<i>SHLIMSUDHA</i>		
		<i>VAYTOGRA</i>		
		<i>SATAYU SYRUP</i>		
		<i>GAUSUDHA</i>		

Application/ end use/ benefits of our products:

- **Ayurvedic Medicines** – These products have ayurvedic proprietary medicine that can be consumed for curing various illness, including diabetics, piles, anti-ageing, slimming tablets, etc. The same is majorly procured from its group Company Dada Organics and Marss Herbal (India)
- **Animal Feed Supplement** - These products are used as a Food supplement for Animals to improve their health and curing various illness.
- **Organic Bio Stimulant** - These products are useful to enhance natural immune system of plants and increase soil fertility.
- **Personal Care** - These Products are useful in treatment of teeth and gum problem, hair related problems, anti- ageing and healing problems

Main Object of Our Company as per latest Memorandum of Association (MOA)

1. To carry on in India or elsewhere the business of modern trade through direct selling like buying, selling, reselling, importing, exporting, transporting, storing, developing, marketing, supplying as a direct selling entity, manufacturing of various category of products, to become Producer, Provider of various types of services and to act as broker, agent, C & F agent, distributor, franchiser, consultant, collaborator, stockiest, job worker, export house, in all types and grades of products, services or otherwise to deal in such products and services.
2. To carry on in India or elsewhere the business as traders, agents, stockiest, distributors, indenters, importers, exporters, buying and selling agents, manufacturer's representatives, commission agents, servicemen, conducting seminars, market promotion agent, launch advertisement, to organize sales promotions drives, training, seminars, events, exhibitions, fairs as may be necessary for the promotions of sales of products and /or services, carrying and forwarding agent, general brokers, market man, market developers, research and development in the field of marketing and selling, promoters, organizers and retailers of all types of goods, services, commodities used in industrial and/ or domestic purpose.

3. To manufacture, purchase, sell, produce, grow, import, export, pack, repack, refine, acquire, process, store, distribute, exchange or otherwise deal in all types of Ayurvedic or herbal medicines, drugs, vitamins, tonics, herbal products, ointments, chemicals, spirits, mixtures, powders, tablets, pills, capsules, injections, balms, oils, compounds, extracts, tincture, mouth washes, cosmetics, toiletries, soaps, detergents, shampoo, creams, scents, perfumes and perfumery products including deodorisers, perfumed bath salts, flavours, sprays, scalp lotions, hair oil, hairdyes and tooth pastes and brushes and goods used in hospitals, nursing homes, clinics, laboratories and other health units and all kinds of pharmaceutical cosmetics, preparations used in Homeopathic, Allopathic, Ayurvedic, Unani, Biochemical, nature cure or any other medicinal system or branch of medicine or as beauty aid or personal hygiene; juices, squash, sharbat, nourishment foods and concentrates, bandages, cotton, crutches connected with or required for any one or more of the above mentioned items and products.
4. To carry on the business of manufacturers fabricators, producers, growers, makers, importers, exporters, buyers, sellers, suppliers, stockiest, agents distributors and concessionaire of and dealers in agro, fertilizers, manures, animal feeds, urea and other types of organic or inorganic or mixed fertilizers of synthetic or natural origin containing nitrogen, phosphate or other compounds soda ash, insecticides, fungicides and remedies of all kinds whatsoever for agricultural, fruit growing or other purposes whether produced from vegetable or animal matter or by any chemical process or otherwise

Our Competitive Strengths:

1. ***Experienced Promoter and Management team:*** Our promoter Dineshbhai Pandya is visually impaired person and has an experience of approximately two decades in field of marketing and also possesses knowledge in agriculture and health products. He also has experience to manufacture such agricultural products and other animal feed supplement products. He has conducted approximately 1200 village assemblies across India in order to educate farmers regarding organic farming. Our business operations are managed by team of personnel which enables us to continue to take advantage of market opportunities and expanding our business.
2. ***Relationship with distributors and Customers:*** We believe in constantly addressing our distributors, sales agent and customer needs for our products. Our relationship with them help us to get repeat business. This has helped us to maintain a long-term relationship with our distributors, sales agent and customers. We believe that our relationship with our distribution, sales agents and customers represents a competitive advantage in gaining new clients and increasing our business.
3. ***Focused Market Area:*** Our company is engaged in the business of marketing and selling of over the counter ayurvedic medicines and personal care products. We have focused on Urban, Semi-Urban and Rural markets to sell our exclusive products, as the demand of quality goods and services in the urban, semi-urban and rural areas of India is increasing rapidly.
4. ***Widespread domestic presence and distribution network:*** Our product is sold pan India through a network of C&F Agents, Super Franchisee, Franchisee, Distributor and sales agents. The sale of our products is therefore not dependent on any particular region or state.
5. ***Range of Product Offerings:*** Our Company markets and supply's a range of ayurvedic, food supplement, Fertilizers, animal feed supplement, and personal care products. The range of products that Company offers makes the Company a complete solution provider for all kind of health care and other ayurvedic products.

❖ Our Business Strategy:

1. ***Focus on Increase in Volume of Sales:*** As part of our growth strategy, we intend to focus on increase in volume of sales by increasing our area of operation.
2. ***Quality Assurance:*** We will continue to maintain quality of our existing product to cater to various customers in the market. We endeavor to maintain the quality of our products, and follow strict procedures to ensure quality control, timely delivery and competitive prices. The company intends to strengthen its product development effort by leveraging skills of its employees which will help to increase the sales of the Company and retain customers.
3. ***Focus on increasing geographical presence:*** We believe that our growth in the markets will result from growing demand for the products we are distributing. Our strategic initiatives for wide markets include

offering of wide products which helps us develop a broad market penetration and establish our presence in developed market.

4. **Leverage and enhance our brand name:** We believe that our brand commands a recall amongst the consumers in the areas where we operate due to its image and goodwill established over the years. We intend to leverage the brand equity that we enjoy. Also, we plan to leverage our existing brands, which have good recall with customers to introduce a wider range of products.
5. **Improving operational efficiencies:** Our Company intends to improve operating efficiencies to achieve cost reductions to have a competitive edge over the peers. We will be addressing the increase in operational output through continuous process improvements, quality check and technology development. Our employees are regularly motivated to increase efficiency with error free exercise. We believe that this can be done through continuous process improvements. Further we believe that this can be done through domestic presence and economies of scale. We believe in strong in-house management to control the entire process. It controls costs by eliminating unnecessary intermediaries for procuring materials in cost efficient manner by optimizing logistics and maximizing labour efficiency.
6. **Manufacturing of new product:** Currently, we have a tie-up with Marss Herbal India and Dada Organics Ltd for the supply of products. In future, we plan to grow our business by manufacturing ayurvedic medicines, Organic Bio Stimulant, animal food supplement, personal care products as well as other products which also requires specific licences for manufacturing. We believe that manufacturing of products will help us in increasing the volume of sales and profitability for that our Company is in process of taking the required licenses for inhouse manufacturing of such products

❖ **Competition:**

The sector in which we operate are highly and increasingly competitive and our results of operations are sensitive to, and may be materially and adversely affected by, competitive pricing and other factors. Competition may result in pricing pressure, reduced profit margin or a failure to increase our market share, any of which could substantially harm our business and results of our operations.

We compete directly against wholesalers and direct retailers of having substantial market share, established companies selling internationally renowned brands as well as domestic retailers and regional competitors. Many of our competitors are companies with strong brand recognition. However, the domestic segments are fragmented and continue to be dominated by unorganized and regional suppliers. We compete primarily on the basis of brand image and quality. In order to compete effectively, we must continue to maintain and develop our brand image and reputation, be flexible and innovative in responding to rapidly changing market demands and customer preferences and offer customers a wide variety of good quality products at competitive prices.

Many of our competitors have significant competitive advantages, including longer operating histories, larger and broader customer base, more established relationships with a broader set of suppliers, greater brand recognition and greater financial, research and development, marketing, distribution budgets and other resources than we do. The number of our direct competitors and the intensity of competition may increase as we expand into other product lines or as other companies expand into other product lines. Our competitors may enter into business combinations or alliances. Our competitors may also be able to respond more quickly and effectively than we do to new or changing opportunities, standards or customer preferences, which could result in a decline in our revenues. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations.

❖ **Human Resources**

An effective and efficient human resource are a key to the success of any organization and our company has been well focused in adopting the best standards in the industry which not only gives us the benefit of attracting good talent but gives us an edge towards providing best qualitative services to our customers. Our manpower is a mix of experienced and young talent pool of resources which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans. Our dedicated staff members are the backbone of our successes and none of the milestones would have been possible without immense contribution and dedication on their part. The details of department wise number of employees are given here below:

<i>Department</i>	<i>No. of employees</i>
Executive Director	3

Independent Director	5
Non-Executive Director	1
Company Secretary	1
Chief Financial Officer cum Executive Director	1
Operations Department	8
Accounts Department	2
Marketing Department	5
Transport Department	3
Total	29

❖ **INFRASTRUCTURE FACILITIES AND UTILITIES**

Our Registered Office is presently situated at B-304 Imperial Height 150 Ft Ring Road, Rajkot-360005, Gujarat, India. and is equipped with computer systems, internet connectivity, other communication, equipment, security and other facilities which are required for our business operations to function smoothly. Our registered office is owned by our Promoter and Director Mr. Dineshbhai Pandya. The Company has entered into rent agreement with the Promoter & Managing Director on April 21,2022 for a period of 11 months for using the building as registered office.

Owned Property

Details of Agreement	Address of property	Purpose
Sale Deed dated 10 th October,2018 executed between Dakshaben Rahulbhai Patel (“Vendor”) and Add Shop ERetail Limited (“Purchaser”)	Land bearing Plot No.34, Survey No. 480 admeasuring 29,066 Sq. mtr. Situated at Village Padvala , Taluka Kotadasangani, District Rajkot, Gujarat	Factory Building and Warehouse

❖ **RAW MATERIALS**

We procure our Raw Materials from Local market and suppliers.

❖ **WATER AND ELECTRICITY**

Our Company has adequate arrangements for Water and Electricity to operate our business smoothly.

❖ **Insurance Policies**

Our Company has insurance coverage which is reasonably sufficient to cover all normal risks associated with our operations and is in accordance with the industry standards.

The details of Insurance Policies in the name of our company are as under:

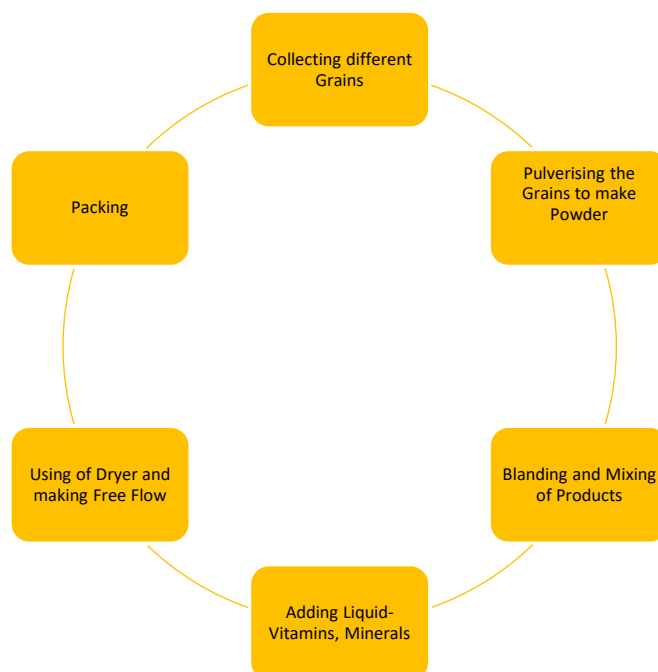
Policy No	Type of Policy	Policy Period	Nature of Coverage	Policy Issuing Office	Total Sum Assured
142200/11/2023/187	Building Plinth and Foundation , Stock & Raw Materials, Plant & Machinery, Furniture , Fixture & Fittings	26/04/2022 to 25/04/2023	Building Plinth and Foundation :- Sum Assured 2,00,00,000; Stock & Raw Materials:- Sum Assured 10,00,00,000; Plant & Machinery:-	The Oriental Bharat Laghu Udyam Suraksha Policy	14,70,00,000

Policy No	Type of Policy	Policy Period	Nature of Coverage	Policy Issuing Office	Total Sum Assured
			Sum Assured 2,50,00,000; Furniture , Fixtures & Fittings:- Sum Assured 20,00,000		
162422123090018422	Car Insurance	06/11/2021 to 05/11/2023	Damages	Reliance General Insurance Co. Ltd.	8536876.00
OG-22-1021-1825-00022077	Car Insurance	Own Damage- 15/12/2021 to 14/12/2022 Third Party Damage – 15/12/2021 to 14/12/2024	Damages	Bajaj Allianz General Insurance Co. Ltd.	3229050.00
TCH/97565547	Car Insurance	21/08/2021 to 21/08/2022	Damages	Cholamandalam MS General Insurance Co. Ltd.	2467852.00

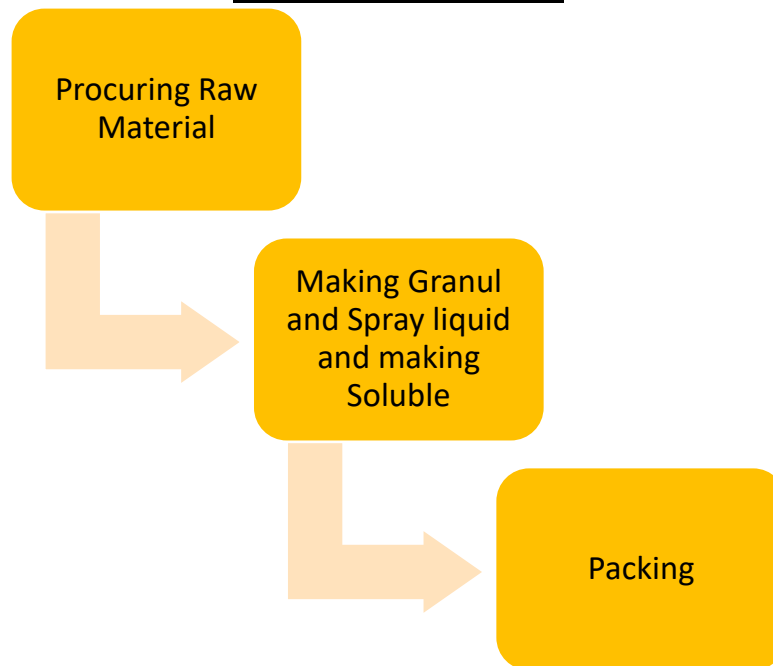
MANUFACTURING PROCESS

The below mentioned flowchart reflects our manufacturing process of different products:

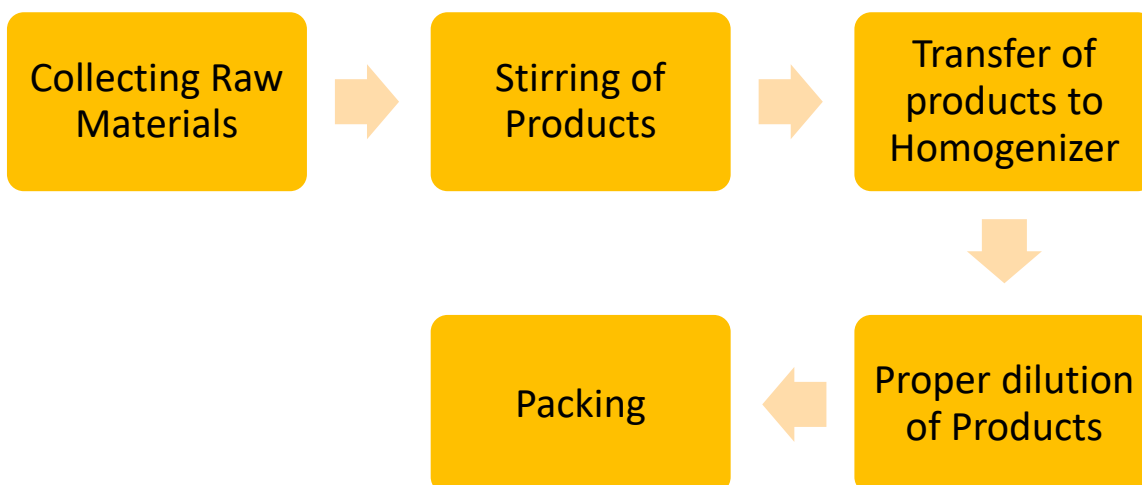
ANIMAL FEED SUPPLEMENT



ORGANIC FERTILIZER



LIQUID FERTILISER



Existing Capacity and Capacity Utilisation:

Set forth below is the detail of the installed and utilized capacity of our products.



Sl No.	Plant & Machinery	Products	Capacity Utilisation
1	Cone Blender 1000kg	Animal Feed Supplement	8000 Kg Per Day
2	Screw Conveyer	Liquid Fertiliser	10,000 Ltr. Per Day
3	Capsule Filling Machine m/c	Gaupiyush	10000 Capsules Per Day
4	S.S Storage Tank	Hair Oil	8000 Ltr. Per Day
5	Homogenizer	Liquid Fertiliser	50,000 Ltr. Per Day
6	27Stn Tableting	Multiple Tablet	1 Lakh Tablet Per Day
7	Automatic tube filling	Dantosudha	30,000 Tube Per Day
8	FBD 250KG	Raw Material Mixer	8000 Kg Per Day
9	300 Blister Pack	Capsule Blister	36000 Strips Per Day
10	Turn Table 30"	Internal Use	-
11	MassMixer 500kg	Powder Mixer	50 MT Per Day
12	Pulverizer 200kg	Raw Material Powder Making	6400 Kg Per Day
13	Granulator	Raw Material Granule Maker	300 Kg Per Day
14	Coating 60"	Tablet Coating	20,000 Tablet Per Day
15	Filter Press	Liquid Filling	-
17	Liquid filling Machine	Multiple Syrup Filling	4000 Ltr Per Day
21	Planetary Mixer	Raw Material Mixer	10,000 Kg Per Day
23	Contra Blender 500 Ltr	Liquid Mixer	8000 Ltr. Per Day
24	Granul Drum	Fertiliser	20,000 Kg Per Day
25	Crusher	Animal Feed Supplement	50,000 Kg Per Day
23	Contra Blender 500 Ltr	Liquid Mixer	8000 Ltr. Per Day
24	Granul Drum	Fertiliser	20,000 Kg Per Day

Intellectual Property Details:

We regard our intellectual property as one of the most important factors in contributing to our success, and our intellectual property rights include trademarks associated with our businesses and other rights arising from confidentiality agreements relating to our database, website content and technology.

Our company is using trademark logo which is owned by Add-Shop ERetail Limited. Our Company's logo is registered under the Trade Mark Act as per below details

The company is using logos mentioned in below table.

Sr. No.	Logo	Class	Trademark Type	Owner of Trademark	Application No.	Date of application	Status
1		35	Device	Add-Shop Promotions Private Limited	3309283	14/07/2016	Registered
2		31	Device	Add-Shop Promotions Limited	4240390	19/07/2019	Registered

Subsidiary / Associate Companies / Joint Venture details:

As on the date of this Draft Letter of Offer, our Company has no subsidiary Company or Associate Company.

Collaboration/Tie-ups/Joint Ventures details:

As on date of this Draft Letter of Offer, our Company has not entered into any technical or other Collaboration / Tie Ups / Joint Ventures.

Export and Export Obligations:

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

OUR MANAGEMENT

A) Board of Directors

As per the Articles of Association, our Company is required to have not less than 3 (Three) directors and not more than 15 (Fifteen) Directors. Our Company currently has ten directors on its Board. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act, 2013 and SEBI Listing Regulations.

The detailed composition are as follows:

Sl. No.	Name of the Director	DIN	Age	Designation
1	Mr. Dineshbhai Bhanushankar Pandya	06647303	48 Years	Managing Director
2	Mrs. Jayshree Dineshbhai Pandya	06647308	49 Years	Non-Executive Director
3	Mrs. Deviben Dineshbhai Pandya	07905047	28 Years	Executive Director
4	Mr. Dev Dineshbhai Pandya	07905073	28 Years	Executive Director
5	Mr. Jigar Dineshkumar Pandya	07905076	24 Years	Executive Director
6	Mr. Rajeshkumar Rasiklal Parekh	08139094	43 Years	Independent Director
7	Mr. Vivek Gopalbhai Dadhania	08165978	27 Years	Independent Director
8	Mr. Rushabh Vora	08165987	26 Years	Independent Director
9	Mr. Yagnik Dilipbhai Mundadiya	08165999	25 Years	Independent Director
10	Mrs. Kinjal Jasmatbhai Khunt	08166013	32 Years	Independent Director

The following table sets forth details regarding the Board of Directors as on the date of this Draft Letter of Offer:

Sl. No.	Particulars	Details
1	Name of the Director	Mr. Dineshbhai Bhanushankar Pandya
	Father's Name	Mr. Bhanushankar Hargovinddas Pandya
	Residential Address	A 104, Pradhyuman Royal Heights , Near A G Chowk , Kalavad Road, Rajkot , Sau Uni Area, Gujarat-360005 , India
	Date of Birth	08-11-1973
	Age	48 Years
	Designation	Managing Director
	DIN	06647303
	Occupation	Business
	Date of Appointment	Appointed as Director since 20/08/2013. Designation changed to Managing Director on 31/05/2018 for 5 years
	Date of expiration of current term	30-05-2023
Directorship in other companies	1. Dada Organics Limited	

Sl. No.	Particulars	Details
2	Name of the Director	Mrs. Jayshree Dineshbhai Pandya
	Father's Name	Mr. Kantilal Chunilal Purohit
	Residential Address	A 104, Pradhyuman Royal Heights , Near A G Chowk , Kalavad Road, Rajkot , Sau Uni Area, Gujarat-360005 , India
	Date of Birth	10-05-1972
	Age	49 Years
	Designation	Non-Executive Director
	DIN	06647308
	Occupation	Business
	Date of Appointment	25-12-2017
	Date of expiration of current term	Liable to retire by rotation
Directorship in other companies	1. Dada Organics Limited	

Sl. No.	Particulars	Details
3	Name of the Director	Ms. Deviben Dineshbhai Pandya
	Father's Name	Mr. Dineshbhai Bhanubhai Pandya
	Residential Address	A 104, Pradhyuman Royal Heights, Near A G Chowk, Kalavad Road, Rajkot, Sau Uni Area, Gujarat-360005, India
	Date of Birth	10-04-1994
	Age	28 Years
	Designation	Executive Director
	DIN	07905047
	Occupation	Business
	Date of Appointment	10-05-2018
	Date of expiration of current term	Liabile to retire by rotation
	Directorship in other companies	1. Dada Organics Limited

Sl. No.	Particulars	Details
4	Name of the Director	Mr. Dev Dineshbhai Pandya
	Father's Name	Mr. Dineshbhai Bhanubhai Pandya
	Residential Address	A 104, Pradhyuman Royal Heights, Near A G Chowk, Kalavad Road, Rajkot, Sau Uni Area, Gujarat-360005, India
	Date of Birth	10-04-1994
	Age	28 Years
	Designation	Executive Director
	DIN	07905073
	Occupation	Business
	Date of Appointment	31-05-2018
	Date of expiration of current term	Liabile to retire by rotation
	Directorship in other companies	1. Dada Organics Limited

Sl. No.	Particulars	Details
5	Name of the Director	Mr. Jigar Dineshkumar Pandya
	Father's Name	Mr. Dineshkumar Pandya
	Residential Address	A 104, Pradhyuman Royal Heights, Near A G Chowk, Kalavad Road, Rajkot, Sau Uni Area, Gujarat-360005, India
	Date of Birth	29-05-1997
	Age	24 Years
	Designation	Executive Director
	DIN	07905076
	Occupation	Businessmen
	Date of Appointment	10-05-2018
	Date of expiration of current term	Liabile to retire by rotation
	Directorship in other companies	1. Dada Organics Limited

Sl. No.	Particulars	Details
6	Name of the Director	Mr. Rajeshkumar Rasiklal Parekh
	Father's Name	Mr. Rasiklal Gopaldas Parkeh

Residential Address	14/5-Yogi Nagar, Oppo. Government School, Near Bal Yogi Hanuman, Gondal, Rajkot-360311, Gujarat, India
Date of Birth	10-08-1978
Age	43 Years
Designation	Independent Director
DIN	08139094
Occupation	Business
Date of Appointment	26-05-2018
Date of expiration of current term	Appointed as Independent Director for 5 Years with effect from 26/05/2018 to 25/05/2023
Directorship in other companies	Nil

Sl. No.	Particulars	Details
7	Name of the Director	Mr. Vivek Gopalbhai Dadhania
	Father's Name	Mr. Gopalbhai Vallbhobhai Dadhania
	Residential Address	Block No. 86, Charnat,8-Kotecha nagar, Near Kotecha Highschool, Kalawad Road, Rajkot-360001, Gujarat, India
	Date of Birth	08-02-1995
	Age	27 Years
	Designation	Independent Director
	DIN	08165978
	Occupation	Business
	Date of Appointment	25-06-2018
	Date of expiration of current term	Appointed as Independent Director for 5 Years with effect from 25/06/2018 to 24/06/2023
Directorship in other companies	Nil	

Sl. No.	Particulars	Details
8	Name of the Director	Mr. Rushabh Vora
	Father's Name	Mr. Nareshbhai Biharilal Vora
	Residential Address	Block No. 404, Pancheswar Tower, Shanti Vihar, Jamnagar-361001, Gujarat, India
	Date of Birth	04-01-1996
	Age	26 Years
	Designation	Independent Director
	DIN	08165987
	Occupation	Business
	Date of Appointment	25-06-2018
	Date of expiration of current term	Appointed as Independent Director for 5 Years with effect from 25/06/2018 to 24/06/2023
Directorship in other companies	Nil	

Sl. No.	Particulars	Details
9	Name of the Director	Mr. Yagnik Dilipbhai Mundadiya
	Father's Name	Mr. Dilipbhai Haribhai Mundadiya
	Residential Address	Mahendrapur, Tankara, Rajkot-363650, Gujarat, India
	Date of Birth	01-06-1996

Age	25 Years
Designation	Independent Director
DIN	08165999
Occupation	Business
Date of Appointment	25-06-2018
Date of expiration of current term	Appointed as Independent Director for 5 Years with effect from 25/06/2018 to 24/06/2023
Directorship in other companies	Nil

Sl. No.	Particulars	Details
10	Name of the Director	Mrs. Kinjal Jasmatbhai Khunt
	Father's Name	Mr. Jasmatbhai Kababbhai Khunt
	Residential Address	Sharda Appartment, Block No.B-1 , Opp. Meghani Hospital, Kothariya Main Road, Rajkot-360002, Gujarat, India
	Date of Birth	02-07-1989
	Age	32 Years
	Designation	Independent Director
	DIN	08166013
	Occupation	Business
	Date of Appointment	25-06-2018
	Date of expiration of current term	Appointed as Independent Director for 5 Years with effect from 25/06/2018 to 24/06/2023
	Directorship in other companies	Nil

Past Directorships in listed companies

- a) *Details of current and past directorship(s) for a period of five years in listed companies for each Director mentioned above, whose shares have been/were suspended from being traded on any of the stock exchanges, during his/her tenure:*
- b) *Details of current and past directorship(s) in listed companies for each Director mentioned above, who have been/were delisted from the stock exchange(s) during his/her tenure in the past ten years:*
None of our Directors are or were a director of any listed company other than the issuer company, which has been, or was delisted from any stock exchange during the term of their directorship in such company during the last ten years preceding the date of this Draft Letter of Offer.

Family Relationships between the Directors

Mr. Dineshbhai Bhanushankar Pandya, Mrs. Jayshree Dineshbhai Pandya, Ms. Deviben Dineshbhai Pandya and Mr. Dev Dineshbhai Pandya are having family relationship as under:

Sr. No.	Name of the Director	Related to Director	Relationship
1	Mr. Dineshbhai Bhanushankar Pandya (Managing Director)	Mrs. Jayshree Dineshbhai Pandya (Non -Executive Director)	Husband
2	Mr. Dineshbhai Bhanushankar Pandya (Managing Director)	Ms. Deviben Dineshbhai Pandya (Executive Director)	Father
3	Mr. Dineshbhai Bhanushankar Pandya (Managing Director)	Mr. Dev Dineshbhai Pandya (Executive Director & CFO)	Father
4	Mr. Dineshbhai Bhanushankar Pandya (Managing Director)	Mr. Jigar Dineshkumar Pandya (Executive Director)	Father

Arrangements with major Shareholders, Customers, Suppliers or Others

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant

to which any of the Directors were selected as a Director or member of a senior management as on the date of this Draft Letter of Offer.

Service Contracts

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

Director's association with the Securities Market

None of the Directors of our Company are associated with securities market.

B) Our Senior and Key Managerial Personnel

The details of our senior and the key managerial personnel as on the date of this Draft Letter of Offer are set out below. All the Key Managerial Personnel's are permanent employees of our Company. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel.

1. Mr. Dineshbhai Bhanushankar Pandya is the Managing Director of our company.
2. Ms. Deviben Dineshbhai Pandya is the Executive Director of our company.
3. Mr. Dev Dineshbhai Pandya is the Executive Director and CFO of our company.
4. Mr. Jigar Dineshkumar Pandya is the Executive Director of our company.
5. Mr. Nirajkumar Kishorbhai Malaviya is the Company Secretary & Compliance Officer of our company.

Relationship amongst the Key Managerial Personnel and or Directors of our Company

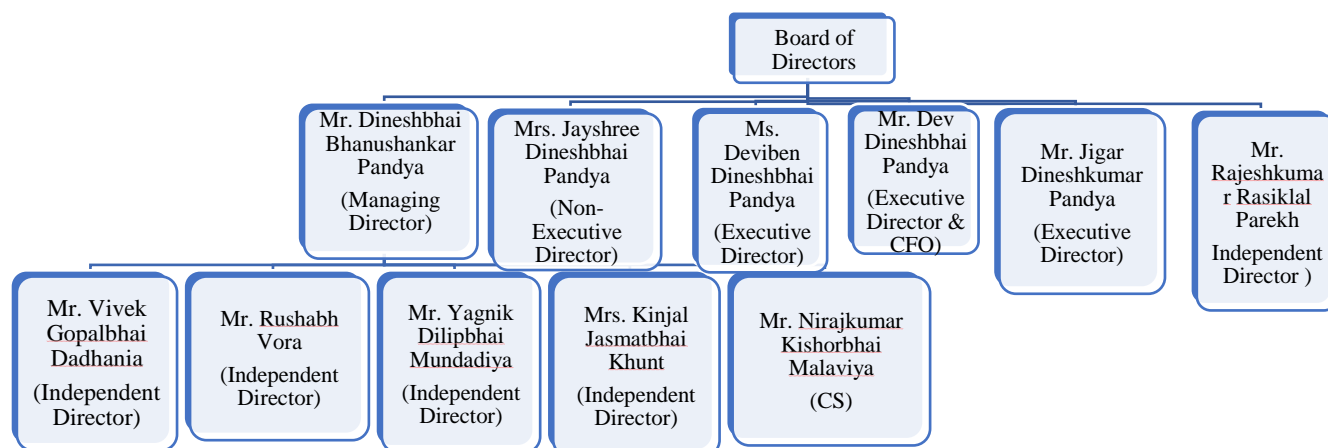
Mr. Dineshbhai Bhanushankar Pandya, Ms. Deviben Dineshbhai Pandya and Mr. Jigar Dineshkumar Padya are having family relationship as under:

Sr. No.	Name of the KMP	Related to	Relationship
1	Mr. Dineshbhai Bhanushankar Pandya (Managing Director)	Ms. Deviben Dineshbhai Pandya (Executive Director)	Father
2	Mr. Dineshbhai Bhanushankar Pandya (Managing Director)	Mr. Dev Dineshbhai Pandya (CFO)	Father
3	Mr. Dineshbhai Bhai Pandya (Managing Director)	Jigar Dineshkumar Pandya (Executive Director)	Father

Interests of Key Management Personnel

The Key Management Personnel do not have any interest in our Company, other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of shareholding in our Company

C) Current Organisational Structure





SECTION VII: FINANCIAL INFORMATION

The Audited March Financial Results-March 31, 2022



J. S. MAHESHWARI & CO.

CHARTERED ACCOUNTANTS

205, SOLITIARE, OPP BOMBAY GARAGE, UNDER BRIDGE, SHAHIBAUG, AHMEDABAD-380004

Email : jsmcapali@gmail.com, jsmcaahdi@gmail.com

☎ 094141-22363
094272-59951

INDEPENDENT AUDITORS' REPORT on Standalone Annual Financial Results of ADD-SHOP E-RETAIL LIMITED Pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

TO THE BOARD OF ADD-SHOP E-RETAIL LIMITED

Opinion

We have audited the accompanying standalone annual financial results of **ADD-SHOP E-RETAIL LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2022, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("Listing Regulations") including relevant circulars issued by the Securities and Exchange Board of India (SEBI) from time to time.

In our opinion and to the best of our information and according to the explanations given to us, the statement:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- ii. gives 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 31 March 2022, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibility under those Standards are further described in Auditor's Responsibility for the Audit of the standalone financial statements section of our report. We are independent of the company in accordance with code of ethics issued by ICAI together with the independence requirement that are relevant to our audit of standalone financial statement under the provisions of the Act and the rule made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Management's and Those Charged with Governance Responsibilities for the Statement

---Branch Address---

610/B, 21st Century Business Centre, Man Darwaja, Ring Road, Surat - 395002
H. No. - 9, JAIN COLONY, INSIDE BANK COLONY, PAOTA, JODHPUR (RAJ.) -342001
"ABHASEET" 34 - B, MAHAVEER UDHYOG NAGAR, PALI-MARWAR (RAJ.) - 306401





This Statement has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit / loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations including SEBI Circular. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether standalone 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 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 aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these standalone financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedure responsive to those risk, and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud for one resulting from error, as fraud may involve collusion, forgery, intentional, omission, misrepresentation, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedure that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether





the company has adequate internal financial control system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The Statement includes the financial results for the quarter ended 31 March 2022, being the balancing figures between the audited figures in respect of the full financial year and the published audited year-to-date figures up to the third quarter of the current financial year, which were subject to audit by us.

For, J S Maheshwari & Co

Chartered Accountants

Firm Reg. No: 001318C

PRC No:012874

CA Dilip Maliwal

Partner

Membership No:148387

Place: Ahmedabad

Date:20/04/2022

UDIN No: 22148387AHKLXB1021





ADD-SHOP E - RETAIL LIMITED (Formerly Known as Add-Shop Promotions Limited) REGD. OFFICE :-B -304 IMPERIAL HEIGHTS, OPP. BIG BAZAR, 150 FT RING ROAD, RAJKOT -360005 CIN: L51109GJ2013PLC076402 Email: info@addshop.co website: www.addshop.co						
AUDITED FINANCIAL RESULTS FOR THE QUARTER / YEAR ENDED 31ST MARCH, 2022						
Sr. No.	Particulars	3 months ended			Account Year Ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		Audited	Audited	Audited	Audited	Audited
1	Revenue from Operations	4,530.65	4,317.74	2,882.90	15,965.31	7,857.12
2	Other Income	-	-	-	-	-
3	Total Revenue (1+2)	4,530.65	4,317.74	2,882.90	15,965.31	7,857.12
4	Expenses					
	a. Cost of material consumed	-	-	-	-	-
	b. Purchase of stock-in-trade	3,169.46	4,182.03	2,017.31	13,129.16	5,629.05
	c. Change in inventories of finished goods, work-in-process and stock-in-trade	257.65	(868.07)	284.07	(1,163.43)	(71.19)
	d. Employees benefits expense	53.55	37.79	42.42	151.91	115.07
	e. Finance costs	42.21	28.97	67.44	99.48	98.57
	f. Depreciation and amortisation expense	9.70	13.61	10.53	46.33	28.38
	g. Power and Fuel	0.65	0.64	1.78	2.43	2.81
	h. Other Expenses	407.75	274.13	64.11	1,354.14	1,033.58
	Total Expenses	3,940.98	3,669.14	2,487.70	13,620.63	6,836.07
5	Profit before Exceptional Items and Extraordinary Items and Tax (3-4)	689.67	648.60	395.20	2,344.68	1,021.05
6	Exceptional Items	-	-	-	-	-
7	Profit before Tax (5-6)	689.67	648.60	395.20	2,344.68	1,021.05
	Current Tax	127.82	114.58	100.45	428.70	256.91
	Deferred Tax	2.49	0.53	(8.13)	7.90	(3.53)
8	Total Tax Expenses	130.31	115.11	92.32	436.60	253.38
9	Profit for the period from Continuing Operation (7-8)	559.36	533.47	302.88	1,908.08	767.67
10	Profit from Discontinuing operations before tax	-	-	-	-	-
11	Tax expense of discontinuing operations	-	-	-	-	-
12	Profit from Discontinuing operations (after tax) (10-11)	-	-	-	-	-
13	Share of Profit (loss) of associates and joint venture accounted for using equity method	-	-	-	-	-
14	Profit for the period (9-13)	559.36	533.47	302.88	1,908.08	767.67
15	Other comprehensive income net of taxes	-	-	-	-	-
16	Total comprehensive income net of taxes (14+15)	559.36	533.47	302.88	1,908.08	767.67
17	Details of equity share capital					
	Paid-up equity share capital	1,925.67	1,132.97	1,132.97	1,925.67	1,132.97
	Other Equity	-	-	-	2,013.22	897.24
	Face value of equity share capital	10.00	10.00	10.00	10.00	10.00
18	Earnings Per Share (EPS)					
	a) Basic	2.90	4.71	2.67	9.91	6.78
	b) Diluted	2.90	4.71	2.67	9.91	6.78

Notes:

- The above Audited financial statement for quarter/year ended March, 2022 has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 20th April, 2022 and Statutory Auditors of the Company have carried out audit of the same.
- This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (IND AS) prescribed under section 133 of the Companies Act 2013 and other recognized accounting practices and policies to the extent applicable.
- IND AS 108 relating to segment wise reporting is Not Applicable as the Company operates in one primary segment i.e. "Trading in healthcare and agricultural product".
- The financial results have been prepared in accordance with India Accounting Standards (Ind AS) prescribed under Companies (Indian Accounting Standards) Rules, 2015. Beginning 1st April, 2020, the Company has for the first time adopted Ind AS with a transition date of 1st April, 2019. The impact of adjustments arising on transition has been accounted for in opening reserves and the comparative period have accordingly been restated. These financial results (including all the periods presented) have been prepared in accordance with the recognition and other accounting principles accepted in India.
- The Figures for the quarter ended 31st March, 2022 are the balancing figures between the audited figures of the year ended 31st March, 2022 and nine months ended 31st December, 2021.
- Figures for the previous year and quarters have been re-grouped / rearranged, wherever necessary.

Place: Rajkot
Date: 20.04.2022



For, Add-Shop E-Retail Limited

(Signature)
Dineshbhai Pandhya
Managing Director
DIN: 06647303



ADD-SHOP E-RETAIL LIMITED (Formerly Known as Add-Shop Promotions Limited)		
REGD. OFFICE :- B -304 IMPERIAL HEIGHTS, OPP. BIG BAZAR, 150 FT RING ROAD, RAJKOT -360005 CIN: L51109GJ2013PLC076482		
AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2022		
Particulars	As at 31.03.2022	As at 31.03.2021
A ASSETS		
I Non-Current Assets		
(a) Property, Plant and Equipment	698.91	468.05
(b) Capital work-in-progress	-	-
(c) Other Intangible Assets	-	-
(c) Financial Assets	1.02	3.79
(i) Investments	-	-
(ii) Trade Receivables	-	-
(iii) Loans	-	-
(d) Deferred Tax Assets (net)	3.57	3.32
(e) Other Non-Current Assets	-	-
Sub-total - Non-Current Assets	703.50	475.16
2 Current Assets		
(a) Inventories	1,946.75	783.33
(b) Financial Assets	-	-
(i) Investment	-	-
(ii) Trade Receivables	2,275.60	1,171.12
(iii) Cash and Cash Equivalents	109.32	51.68
(iv) Bank Balances other than (iii) above	-	-
(v) Loans	34.73	2.00
(vi) Others (to be specified)	-	-
(c) Current Tax Assets (Net)	-	-
(d) Other Current Assets	0.00	0.31
Sub-total - Current Assets	4,366.49	4,008.44
TOTAL - ASSETS	5,069.99	4,483.60
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share Capital	1,925.67	1,132.97
(b) Other Equity	2,013.22	897.24
Sub-total - Equity	3,938.89	2,030.21
Liabilities		
Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	328.40	241.00
(ii) Trade Payables	-	-
(b) Provisions	-	-
(c) Deferred Tax Liabilities (Net)	16.39	8.49
(d) Other Non-Current Liabilities	-	-
Sub-total - Non Current Liabilities	344.79	249.49
2 Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	1.95	524.85
(ii) Trade Payables	335.39	1,249.11
(iii) Other Financial Liabilities (Current Maturities of Long term Debt)	-	141.81
(b) Other Current Liabilities	7.15	25.58
(c) Provisions	13.12	9.58
(d) Current Tax Liabilities (Net)	428.70	252.97
Sub-total - Current Liabilities	786.31	2,203.90
TOTAL - EQUITY AND LIABILITIES	5,069.99	4,483.60



Place: Rajkot
Date: 20.04.2022



For, Add-Shop E-Retail Limited


Dineshbhai Pandya
Director
DIN : 86647303



ADD-SHOP E-RETAIL LIMITED (Formerly Known As Add-Shop Promotions Limited) REGD. OFFICE :- B-304 IMPERIAL HEIGHTS, OPP. BIG BAZAR, 150 FT RING ROAD, RAJKOT -360005 CIN: L51109GJ2013PLC076482 Email: info@addshop.co website: www.addshop.co AUDITED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2021		
	Year ended	
	31st March, 2022	31st March, 2021
	Audited	Audited
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax as per Statement of Profit and Loss	2,345.28	1,021.05
Adjusted for:		
Depreciation	46.33	28.38
Finance Cost	99.48	98.37
Loss on sale of fixed assets	3.95	2.60
Other Inflows/ (Outflows) of cash	-	20.42
Operating Profit before working capital changes	2,495.05	1,170.82
Adjusted for:		
(Increase)/Decrease in Trade Receivables	895.45	(980.68)
Increase/(Decrease) in Trade Payables	(913.72)	24.64
(Increase)/Decrease in Inventories	(1,163.42)	(71.19)
Increase/(Decrease) in Other Financial Liabilities	(141.81)	(44.55)
Increase/(Decrease) in Other Current Liabilities	(18.43)	0.30
Increase/(Decrease) in Provisions	3.54	0.34
(Increase)/Decrease in Loans	(33.00)	6.86
Increase/(Decrease) in Current Tax Liabilities	175.73	208.47
(Increase)/Decrease in Other Current Assets	0.31	(0.13)
Cash Generated from Operations	1,299.70	314.88
Adjusted for:		
Income Tax	(428.70)	(256.91)
Net Cash from Operating activities	871.00	57.97
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) / Sale of Fixed Assets	(278.37)	(142.42)
(Increase)/ Decrease in Non- Current Assets	-	-
Other Inflow/ (Outflow) of cash	-	-
Net Cash Flow from Investing Activities	(278.37)	(142.42)
C. Cash Flow from Financing activities:		
Finance Cost	(99.48)	(98.37)
Proceeds / (Repayment) of Borrowings	(435.51)	208.39
Net cash from Financing Activities	(535.00)	110.02
Net Increase/(Decrease) in cash	57.64	25.57
Opening Balance of Cash & Cash equivalents	51.68	26.11
Closing Balance of Cash & Cash equivalents	109.32	51.68
Place : Rajkot Date: 20.04.2022		For, Add-Shop E-Retail Limited  Dineshbhai Pandya Director DIN : 06647303

FINANCIAL YEAR -2020-21

Independent Auditors' Report

To
The Members of
ADD-SHOP E-RETAIL LIMITED
RAJKOT

Report on the Financial Statements

We have audited the accompanying IND AS Financial Statements of **ADD-SHOP E RETAIL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), and the Statement of Changes in Equity and statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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. We have determined that there are no key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Board's Report including Annexures to Board's Report, and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The above mentioned reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the above mentioned reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions as per the applicable laws and regulations.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance including other Comprehensive Income, cash flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. 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; design, implementation and maintenance of adequate internal financial controls, that are 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.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act,

we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("**the Order**") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, 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 further report that:**
 - (i) 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.
 - (ii) 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.
 - (iii) The Balance Sheet, Statement of Profit and Loss including other comprehensive income, Cash Flow Statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - (iv) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
 - (v) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of

Section 164(2) of the Act.

(vi) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**",

(vii) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(viii) With respect to 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 has disclosed the impact of pending litigations on its financial position in its notes to financial statements.
- ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
- iii) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

For Loonia & Associates
Chartered Accountants
Registration No. 130883W

Hitesh Loonia
Proprietor
M No 135424
UDIN: 21135424AAAADY9736

Place - Ahmedabad
Date - 07th June, 2021

Annexure 'A' to the Independent Auditor's Report

Referred to in paragraph 1 under the heading "Report on Other Legal And Regulatory Requirements" of Our Independent Audit Report of even date on the Financial Statements of ADD-SHOP E-RETAIL LIMITED for the year ended 31st March, 2021.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) In respect of its Property, plant and equipments:
 - (a)** The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipments.
 - (b)** As explained to us, the management during the year has physically verified the Property, plant and equipments in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c)** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in Property, plant and equipments are held in the name of the Company.
- (ii) As explained to us, in our opinion, the management has physically verified inventories at reasonable intervals during the year and there was no material discrepancies noticed on such physical verification as compared to the book records.
- (iii) The Company has not granted any loans, secured or unsecured, to Companies, Firms or Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, investments, guarantees and security in terms of section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, in respect of products of the Company. Accordingly, paragraph 3(vi) of the Order is not applicable



- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Services Tax, Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31 March, 2021 for a period of more than six months from the date they become payable.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks as at the Balance Sheet date.
- (ix) According to information and the explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) During the course of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the Company or by its officers or employees on it, has been noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to information and explanations given to us and based on our examination of the records of the Company, in our opinion, all the transactions entered with the related parties are in compliance with sections 177 and 188 of the Act and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year and hence reporting under paragraph 3(xiv) of the order is not applicable.
- (xv) According to information and explanations given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with

directors or persons connected with directors. Accordingly, paragraph 3(xv) of the Order is not applicable.

- (xvi) According to the information and explanations given to us and the records of the Company examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause 3(xvi) of the Order is not applicable

For Loonia & Associates
Chartered Accountants
Registration No. 130883W

Hitesh Loonia
Proprietor
M No 135424
UDIN: 21135424AAAADY9736

Place - Ahmedabad
Date - 07th June, 2021

Annexure - B to the Independent Auditors' Report

Referred to in paragraph 2(F) under the heading "Report on Other Legal And Regulatory Requirements" of Our Independent Audit Report of even date on the Financial Statements of **ADD-SHOP E-RETAIL LIMITED** for the year ended 31st March, 2021.

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 **ADD-SHOP E-RETAIL LIMITED** ("the Company") as of 31 March, 2021 in conjunction with our audit of the Ind As 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 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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, as specified under section 143(10) of the Companies Act, 2013, to the extent 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 judgment, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, to the best of our information and according to the explanations given to us, 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 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Loonia & Associates
Chartered Accountants
Registration No. 130883W

Hitesh Loonia
Proprietor
M No 135424
UDIN: 21135424AAAADY9736

Place - Ahmedabad
Date - 07th June, 2021



ADD-SHOP E-RETAIL LIMITED
Balance Sheet as at 31st March, 2021

(Rs. In Lakhs)

Particulars	Note No.	As At 31.03.2021 Rs.	As At 31.03.2020 Rs.	As At 01.04.2019 Rs.
I ASSETS				
1 Non-current Assets				
a) Property, Plant & Equipment	2	468.05	352.70	326.80
b) Other Intangible Assets		3.79	7.70	10.98
c) Capital Work-in-Progress		-	-	-
d) Deferred tax assets (net)		-	-	-
e) Financial Assets:				
(i) Investments		-	-	-
(ii) Trade Receivable		-	-	-
(iii) Loans	3	3.32	3.77	10.45
f) Other non-current assets	4	-	20.42	18.92
Total Non-Current Assets		475.16	384.59	367.15
2 Current Assets				
a) Inventories	5	783.33	712.14	541.39
b) Financial Assets:				
(i) Trade Receivables	6	3,171.12	2,190.44	653.06
(ii) Cash and cash equivalents	7	51.68	26.11	24.20
(iii) Loans	8	2.00	8.41	1.49
c) Current Tax Assets (Net)		-	-	-
d) Other Current Assets	9	0.31	0.18	-
Total Current Assets		4,008.44	2,937.28	1,220.14
Total Assets		4,483.60	3,321.87	1,587.29
II EQUITY & LIABILITIES				
A Equity				
a) Equity Share Capital	10	1,132.97	647.41	647.41
b) Other Equity	11	897.23	615.12	494.74
Total Equity		2,030.20	1,262.53	1,142.15
B Liabilities				
1 Non-current Liabilities				
a) Financial Liabilities:				
(i) Borrowings	12	241.01	164.21	112.62
(ii) Trade Payable		-	-	-
b) Provisions				
(i) Provisions		-	-	-
c) Deferred Tax Liabilities (net)	13	8.49	12.02	5.66
d) Other Non Current Liabilities		-	-	-
Total Non-Current Liabilities		249.50	176.23	118.28
2 Current Liabilities				
a) Financial Liabilities:				
(i) Borrowings	14	524.85	393.26	64.45
(ii) Trade Payable	15	1,249.11	1,224.47	68.80
(iii) Other Financial Liabilities (Current Maturities of Long Term Debt)		141.81	186.36	86.43
b) Other Current Liabilities				
(i) Other Current Liabilities	16	25.58	25.28	43.21
c) Provisions				
(i) Provisions	17	9.58	9.24	35.42
c) Current Tax Liabilities (Net)	18	252.97	44.50	28.55
Total Current Liabilities		2,203.90	1,883.11	326.86
Total Liabilities		2,453.40	2,059.34	445.14
Total Equity & Liabilities		4,483.60	3,321.87	1,587.29
Significant Accounting Policies	1			
Notes forming part of the Financial Statements				
As per our report of even date		For and on behalf of the Board		
For Loonia & Associates				
Chartered Accountants				
Registration No. 130883W				
Hitesh Loonia		Dineshbhai B. Pandya	Jigar D. Pandya	
Proprietor		Managing Director	Director	
M No 135424		DIN: 06647303	DIN: 07905076	
Place - Ahmedabad		Nirajkumar Malaviya	Dev Pandya	
Date - 07th June, 2021		Company Secretary	CFO	
UDIN: 21135424AAAAAY9736				



ADD-SHOP E-RETAIL LIMITED

Statement of Profit and Loss for the Year ended 31st March, 2021

		Rs. In Lakhs	
Particulars	Note No.	2020-21	2019-20
INCOME			
(i) Revenue from Operations	19	7,857.12	3,733.77
(ii) Other Income	20	-	9.40
(iii) Total Income (i) + (ii)		7,857.12	3,743.17
EXPENSES			
(iv) Purchase of traded goods		5,629.05	2,624.11
Changes in inventories of finished goods, work in progress & Stock in Trade	21	(71.19)	(170.75)
Employee benefits expenses	22	115.07	114.54
Finance Costs	23	98.37	73.67
Depreciation and amortization expenses		28.38	23.11
Other expenses	24	1,036.39	907.25
Total Expenses (iv)		6,836.07	3,571.93
(v) Profit before Exceptional Items & Taxes		1,021.05	171.24
(vi) Exceptional Items - (Net)		-	-
(vii) Profit before tax (v)-(vi)		1,021.05	171.24
(viii) Tax Expenses :			
(1) Current tax		256.91	44.50
(2) Deferred tax		(3.53)	6.36
		253.38	50.86
(ix) Profit for the Period (vii)-(viii)		767.67	120.38
(x) Other Comprehensive Income			
A(i) items that will not be reclassified to profit or loss		-	-
(ii) income tax relating to items that will not be reclassified to profit or loss		-	-
B(i) items that will be reclassified to profit or loss		-	-
(ii) income tax relating to items that will be reclassified to profit or loss		-	-
(xi) Total Comprehensive Income for the Period [(ix)+(x)] (Comprising Profit and Other Comprehensive Income for the period)		767.67	120.38
(xii) Earning Per Equity Share(Nominal Value per Share:(Rs. 10)	25		
1. Basic		6.78	1.86
2. Diluted		6.78	1.86
Significant Accounting Policies		1	
Notes forming part of the Financial Statements			
As per our report of even date			
For Loonia & Associates			
Chartered Accountants			
Registration No. 130883W		Dineshbhai B. Pandya	Jigar D. Pandya
		Managing Director	Director
		DIN: 06647303	DIN: 07905076
Hitesh Loonia		Nirajkumar Malaviya	Dev Pandya
Proprietor		Company Secretary	CFO
M No 135424			
Place - Ahmedabad			
Date - 07th June, 2021			
UDIN: 21135424AAAADY9736			



ADD-SHOP E-RETAIL LIMITED

Cash Flow statement for the year ended 31st March 2021

	March 31,2021	(Rs In Lakhs) March 31,2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax as per Statement of Profit and Loss	1,021.05	171.24
Adjusted for:		
Depreciation	28.38	23.11
Finance Cost	98.37	73.67
Loss on sale of fixed assets	2.60	2.95
Other Inflows/ (Outflows) of cash	20.42	(1.20)
Operating Profit before working capital changes	1,170.82	269.77
Adjusted for:		
(Increase)/Decrease in Trade Receivables	(980.68)	(1,537.38)
Increase/(Decrease) in Trade Payables	24.64	1,155.67
(Increase)/Decrease in Inventories	(71.19)	(170.75)
Increase/(Decrease) in Other Financial Liabilities	(44.55)	-
Increase/(Decrease) in Other Current Liabilities	0.30	82.00
Increase/(Decrease) in Provisions	0.34	(10.23)
(Increase)/Decrease in Loans	6.86	(0.25)
Increase/(Decrease) in Current Tax Liabilities	208.47	-
(Increase)/Decrease in Other Current Assets	(0.13)	(0.18)
Cash Generated from Operations	314.87	(211.35)
Adjusted for:		
Direct Tax Refund (Net of Payment)	(256.91)	(44.50)
Net Cash from Operating activities	57.96	(255.85)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(142.41)	(50.47)
Other Inflow/ (Outflow) of cash	-	1.50
Sales of Fixed Assets	-	-
Net Cash Flow from Investing Activities	(142.41)	(48.97)
C. Net Cash Flow from Financing activities:		
Finance Cost	(98.37)	(73.67)
Proceeds / (Repayment) of Borrowings	208.39	380.40
Net cash from Financing Activities	110.02	306.73
Net cash from Financing Activities		
Net Increase/(Decrease) in cash	25.57	1.91
Opening Balance of Cash & Cash equivalents	26.11	24.20
Closing Balance of Cash & Cash equivalents	51.68	26.11

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Loonia & Associates

Chartered Accountants

Registration No. 130883W

Hitesh Loonia

Proprietor

M No 135424

Place - Ahmedabad

Date - 07th June, 2021

UDIN: 21135424AAAADY9736

For and on behalf of the Board

Dineshbhai B. Pandya

Managing Director

DIN: 06647303

Nirajkumar Malaviya

Company Secretary

Jigar D. Pandya

Director

DIN: 07905076

Dev Pandya

CFO



ADD-SHOP E-RETAIL LIMITED

Statement of Changes in Equity
For the year ended 31st March, 2021

(Rs. In Lakhs)	
A. Equity Share Capital	
As at 01.04.2019	647.41
Movement during the year on account of Bonus shares issued	-
As at 31.03.2020	647.41
Movement during the year on account of Bonus shares issued	485.56
As at 31.03.2021	1,132.97

B. Other Equity

Particulars	Reserves and Surplus		Total
	Securities Premium	Retained Earnings	
Balance as at 1st April,2019	383.85	110.89	494.74
Profit for the year	-	120.38	120.38
Other Comprehensive Income for the Year	-	-	-
Total Comprehensive Income for the Year	-	120.38	120.38
Balance as at 31st March,2021	383.85	231.27	615.12
Balance as at 1st April,2020	383.85	231.27	615.12
Profit for the year	-	767.67	767.67
Other Comprehensive Income for the Year	-	-	-
Total Comprehensive Income for the Year	-	767.67	767.67
Bonus Shares Issued by capitalizing	(383.85)	(101.71)	(485.56)
Balance as at 31st March,2021	-	897.23	897.23

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Loonia & Associates

Chartered Accountants

Registration No. 130883W

Hitesh Loonia

Proprietor

M No 135424

Place - Ahmedabad

Date - 07th June, 2021

UDIN: 21135424AAAADY9736

Dineshbhai B. Pandya
Managing Director
DIN: 06647303

Nirajkumar Malaviya
Company Secretary

Jigar D. Pandya
Director
DIN: 07905076

Dev Pandya
CFO

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

COMPANY INFORMATION / OVERVIEW

ADD-SHOP E-RETAIL LIMITED ("the Company") is a public limited Company having its registered office situated at B-304, Imperial Heights, 150 Ft Ring Road, Rajkot- 360005. The Company is engaged in the business of manufacturing and trading of herbal, ayurvedic and agro commodities and having a PAN India presence of its product under retail chain model. The financial statements were authorised for issue in accordance with a resolution of the directors on 07th June, 2021.

"1" SIGNIFICANT ACCOUNTING POLICES:

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended March, 31 2020, the company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2021 are the first the Company has prepared in accordance with Ind AS. Refer to note 35 for information on how the Company adopted Ind AS.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments (including derivative instruments) which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest lacs, except otherwise indicated.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of the products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities

CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of sale/lease

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of sale/lease
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current

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

USE OF ESTIMATES

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Actual results could differ from those estimates. Appropriate changes in estimates are made as 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.

REVENUE RECOGNITION

Revenue is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Company is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. However, Goods and Services tax (GST) are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.



Sale of Goods:

Revenue from sales is recognized when the substantial risks and rewards of ownership of goods are transferred to the buyer and the collection of the resulting receivables is reasonably expected. This usually occurs upon dispatch, after the price has been determined and collection of the receivable is reasonably certain. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sale of Services:

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured.

Other income:

Interest

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

PROPERTY, PLANT & EQUIPMENT

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalized as the activities undertaken improve the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Advances paid towards the acquisition of Property, Plant & Equipment outstanding at each reporting date is classified as Capital advances under Other Non -Current Assets and assets which are not ready for intended use as on the date of Balance sheet are disclosed as "Capital Work in Progress."

DEPRECIATION/ AMORTISATION

Depreciation on Property, Plant & Equipment is charged on Straight Line Method. Depreciations are charged over the estimated useful lives of the assets as specified in Schedule II of the Companies Act, 2013. Depreciation in respect of additions to/and deletion from assets has been charged on pro-rata basis from/till the date they are put to commercial use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.

Depreciation on additions/deletions to Property plant and equipment during the year is provided for on a pro-rata basis with reference to the date of additions/deletions.

Depreciation on subsequent expenditure on Property plant and equipment arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life. Depreciation on refurbished/revamped Property plant and equipment which are capitalized separately is provide for over the reassessed useful life

IMPAIRMENT OF ASSESTS

Property, Plant & Equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use.

BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalized as part of the cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

INVENTORIES

Inventories are valued at the lower of cost and net realizable value. Cost incurred in bringing each products to its present location and condition are accounted for as follows:-

- **Finished goods and Work In Progress:**
Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost in determined on first in, first out basis.
- **Traded Goods:**
Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Net realizable values is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



TAXATION

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in Profit or Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of Cash Flow Statement comprise Cash and Cheques in hand, bank balances, demand deposits with banks (other than deposits pledged with government authorities and margin money deposits) with an original maturity of three months or less.

CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions: Provisions are recognized when there is a present obligation as result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities : Contingent liabilities are not provided for in the books but are disclosed by way of notes in the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets: Contingent Assets are neither recognized nor disclosed in the financial statements.

EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax (and include post tax effect of any extraordinary items.) The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises of the weighted average shares considered for deriving basic earning per share, and also the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

RELATED PARTY TRANSACTIONS

Related party transactions are transfer of resources or obligations between related parties, regardless of whether a price is charged. Parties are considered to be related, if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial or operating decisions. Parties are considered to be related if they are subject to common control or common significant influence.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided by Chief Financial Officer and Director of the Company jointly and responsible for allocating resources, assess the financial performance of the Company and make strategic decisions.

The Company's only business segment is in Herbal , Ayurvedic and Agro Commodity ,hence the disclosure of segment wise information as required by Ind AS 108 on "Segment Reporting" is not applicable .

DIVIDEND:

Dividend declared if any is provided in books of account when the same is approved by shareholders'.

EMPLOYEE BENEFITS

- **Short-term Obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

- **Post Employee Obligations**

The Company operates the following post-employment schemes:

- defined contribution plans such as provident fund.

- **Gratuity obligations**

The Company had an obligation towards gratuity – a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of an employment of an amount equivalent to 15 days salary payable for each completed years of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service and is payable thereafter on occurrence of any of above events.

As per information provided by the Company, there are no employees who have served more than 5 years.

- **Defined contribution plans**

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

FOREIGN CURRENCY TRANSACTIONS

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent Recognition:

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the

values were determined. All monetary assets and liabilities in foreign currency are reinstated at the end of accounting period. Exchange differences on reinstatement of all monetary items are recognised in the Statement of Profit and Loss.

FINANCIAL INSTRUMENTS

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

FINANCIAL ASSETS

Initial recognition and measurement

All financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

❖ **Classification**

For the purpose of subsequent measurement, the Company classifies financial assets in following categories:

- **Financial assets at amortised cost**
Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income and impairment are recognized in the Statement of Profit and Loss.
- **Financial assets at fair value through other comprehensive income (FVTOCI)**
These assets are subsequently measured at fair value through other comprehensive income (OCI). Changes in fair values are recognized in OCI and on derecognition, cumulative gain or loss previously recognized in OCI is reclassified to the Statement of Profit and Loss. Interest income calculated using EIR and impairment loss, if any, are recognized in the Statement of Profit and Loss.
- **Financial assets at fair value through profit or loss (FVTPL)**
These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognized in the Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition except if and in the period the Company changes its business model for managing for financial assets.

De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, lease receivable, trade receivable other contractual rights to receive cash or other financial assets. For trade receivable, the Company measures the loss allowance at an amount equal to life time expected credit losses. Further, for the measuring life time expected credit losses allowance for trade receivable the Company has used a practical expedient as permitted under Indian AS 109. This expected credit loss allowance is computed based on provisions, matrix which takes into account historical credit loss experience and adjusted for forward looking information.

FINANCIAL LIABILITIES

Initial recognition and measurement

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at amortized cost unless at initial recognition, they are classified as fair value through profit or loss. In case of trade payables they are initially recognize at fair value and subsequently, these liabilities are held at amortized cost, using the Effective interest method.

Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Statement of Profit and Loss.

Financial liabilities other than classified as FVTPL, are subsequently measured at amortized cost using the effective interest method. Interest expense is recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on subsequently different terms, or the terms of an existing liability are subsequently modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of the new liability. The difference in the respective carrying amount is recognize in the Statement of Profit & Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right



to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

STANDARDS ISSUED BUT NOT EFFECTIVE

As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company. Hence, the disclosure is not applicable.



ADD-SHOP E-RETAIL LIMITED
"2" Property, Plant & Equipment

Rs In Lakhs

PARTICULARS	Land	Factory Building	Plant & Machinery	Electric Installation & Fittings	Furniture & Fixtures	Computer	Printer	Air Conditioner	Motor Vehicle	Office Equipment	TOTAL TANGIBLE ASSETS	INTANGIBLE ASSETS-SOFTWARE	CAPITAL WORK IN PROGRESS
Deemed cost as at April 01, 2019	6.21	234.30	52.24	0.45	2.38	9.20	0.07	0.89	24.44	6.67	336.85	19.95	-
Additions	-	3.41	0.13	-	3.28	1.67	0.14	-	53.67	2.36	64.66	0.62	-
Disposals	-	-	-	-	-	-	-	-	23.04	-	23.04	-	-
Gross Carrying Amount as at March 31,2020	6.21	237.71	52.37	0.45	5.66	10.87	0.21	0.89	55.07	9.03	378.47	20.57	-
Additions	-	14.00	0.32	0.20	2.78	1.34	-	0.35	130.14	5.31	154.44	-	-
Disposals/ Deduction	-	-	-	-	-	-	-	-	17.77	-	17.77	-	-
Gross Carrying Amount as at March 31,2021	6.21	251.71	52.69	0.65	8.44	12.21	0.21	1.24	167.44	14.34	515.14	20.57	-
Accumulated Depreciation/ Amortization and Impairment													
Balance as at April 01,2019	-	0.07	-	0.04	0.36	5.69	0.01	0.05	2.17	1.66	10.05	8.97	-
Depreciation for the year	-	3.75	3.31	0.04	0.47	3.26	0.05	0.17	6.04	2.12	19.21	3.90	-
Depreciation on Disposals	-	-	-	-	-	-	-	-	3.49	-	3.49	-	-
Balance as at March 31,2020	-	3.82	3.31	0.08	0.83	8.95	0.06	0.22	4.72	3.78	25.77	12.87	-
Depreciation for the year	-	3.83	3.33	0.06	0.68	1.57	0.07	0.22	11.82	2.89	24.47	3.91	-
Depreciation on Disposals	-	-	-	-	-	-	-	-	3.15	-	3.15	-	-
Balance as at March 31,2021	-	7.65	6.64	0.14	1.51	10.52	0.13	0.44	13.39	6.67	47.09	16.78	-
Net Carrying Amount													
As at March 31,2021	6.21	244.06	46.05	0.51	6.93	1.69	0.08	0.80	154.05	7.67	468.05	3.79	-
As at March 31,2020	6.21	233.89	49.06	0.37	4.83	1.92	0.15	0.67	50.35	5.25	352.70	7.70	-
As at March 31,2019	6.21	234.23	52.24	0.41	2.02	3.51	0.06	0.84	22.27	5.01	326.80	10.98	-

Note: The Company has elected to continue with the carrying value for all of its property, plant & equipment as recognized in the financial statements as the date of transition to IND AS, i.e. 1st April,2019 measured as per previous GAAP and use that as its deemed cost as at the date of transition.



(Rs in Lakhs)						
Sr. No	Particulars	As At 31.03.2021	As At 31.03.2020	As At 31.03.2019		
3	Non Current Loans					
	Unsecured, considered good					
	Advance Recoverable in Cash or in Kind	0.25	-	-		
	Security Deposits	3.07	3.77	10.45		
		<u>3.32</u>	<u>3.77</u>	<u>10.45</u>		
4	Other Non Current Assets					
	Share Issue Expenses not written off	-	20.42	18.92		
		<u>-</u>	<u>20.42</u>	<u>18.92</u>		
5	Inventories					
	(As taken, valued & certified by the Management)					
	(At lower of cost and net realisable value)					
	Finished Goods	783.33	712.14	541.39		
		<u>783.33</u>	<u>712.14</u>	<u>541.39</u>		
6	Trade Receivables					
	Unsecured, considered good:					
	(i) Outstanding for a period exceeding 6 months from the date they are due for payment	-	-	0.18		
	(ii) Others	3,171.12	2,190.44	652.88		
		<u>3,171.12</u>	<u>2,190.44</u>	<u>653.06</u>		
7	Cash and cash equivalents					
	Balances with Bank					
	- In Current Accounts	45.59	13.22	23.80		
	Cash on hand	6.09	12.89	0.40		
	In Fixed Deposits	-	-	-		
		<u>51.68</u>	<u>26.11</u>	<u>24.20</u>		
8	Current Loans					
	Unsecured, considered good					
	Advances recoverable in cash or in kind for value to be received					
	Statutory Authorities	1.27	-	0.17		
	Advance to staff	0.73	3.26	0.65		
	Others	-	5.15	0.67		
		<u>2.00</u>	<u>8.41</u>	<u>1.49</u>		
9	Other Current Assets					
	Prepaid Exp.	0.31	0.18	-		
		<u>0.31</u>	<u>0.18</u>	<u>-</u>		
10	Equity Share Capital					(Rs in Lakhs)
	Authorised	Number of Shares	Amount	Number of Shares	Amount	Number of Shares
	Equity Shares of Rs. 10 each	11,500,000	1,150.00	7,000,000	700.00	7,000,000
	Issued, Subscribed & Fully paid up					
	Equity Shares of Rs. 10 each, fully paid	11,329,716	1,132.97	6,474,125	647.41	6,474,125
	(a) Reconciliation of Number of Shares	Number of Shares	Amount	Number of Shares	Amount	Number of Shares
	Balance as at the beginning of the Year	6,474,125	647.41	6,474,125	647.41	1,40,000
	Issued During the Year	-	-	-	-	6,334,125
	Bonus Issue	4,855,591	485.56	-	-	-
	Balance as at the end of the Year	<u>11,329,716</u>	<u>1,132.97</u>	<u>6,474,125</u>	<u>647.41</u>	<u>6,474,125</u>
	(b) Details of Share holding more than 5% Shares:-					
	Dineshkhari P Pandhya	6,792,100	59.95	3,881,200	59.95	3,881,200
	Manju Jaysantlal Lodha	353,560	3.12%	324,000	5.00	-
	Jayantilal H Lodha	-	-	116,000	1.79	420,000
	Shashank Pravinchandra Doshi	770,000	6.80	-	-	-
	(c) Rights, preferences and restrictions attached to shares :-					

The Company has only one class of equity shares having par value of ₹ 10 each and the holder of the equity share is entitled to one vote per share. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.



	(Rs In Lakhs)	
	As At 31.03.2021	As At 31.03.2020
19 Revenue from Operations		
a) Sale of Products (Net)	7,857.12	3,733.77
b) Sale of Services	-	-
c) Other Operating Revenues	-	-
	<u>7,857.12</u>	<u>3,733.77</u>
20 Other Income		
a) Kasar & Vatar	-	9.40
b) Other Misc. Income	-	-
	<u>-</u>	<u>9.40</u>
21 Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade		
Stock at the beginning of the year		
Finished Goods	712.14	541.39
Total-A	712.14	541.39
Stock at the end of the year		
Finished Goods	783.33	712.14
Total-B	783.33	712.14
(Increase) / Decrease in Stocks (A-B)	<u>(71.19)</u>	<u>(170.75)</u>
22 Employees Benefits Expenses		
(a) Directors Remuneration	48.00	50.40
(b) Salaries and Bonus	59.59	52.62
(c) Contribution to Provident Fund & other fund	5.93	5.96
(d) Employers Welfare & other Amenities	1.55	5.56
	<u>115.07</u>	<u>114.54</u>
23 Finance Cost		
Interest Expenses	90.26	61.78
Bank & Other Charges	8.11	11.89
	<u>98.37</u>	<u>73.67</u>
24 Other Expenses		
Advertising Exp	0.92	2.49
Auditor Fees	0.65	0.25
Award Reward Expenses	-	19.09
Consultancy Expenses	6.38	0.47
Discount Expenses	27.46	19.52
Distributor Incentive & Commission Exp	815.90	707.53
Donations	8.86	2.57
Electricity Exp	2.81	2.01
Event Management Exp	41.48	47.05
Fuel Exp.	1.97	-
Insurance Exp	0.13	0.64
Late Fees Expenses.	-	0.12
Legal Fees	12.11	7.29
Loss on car sales	-	2.95
Membership Fees	0.60	1.00
Misc Exp W/off	30.13	-
Miscellaneous Expenditure	2.60	0.04
Office & Godowns Rent	6.28	7.61
Office & Factory Expenses	10.65	16.53
Outgoing Transportation Exp	40.05	34.87
Tea & Refreshment Exp.	0.62	-
ROC Exp.	5.88	-
Software Exp	9.30	5.87
Short / Excess Provision written off	-	7.60
Stationery & Printing Material Exp	2.89	2.82
Telephone Exp.	0.90	0.91
Travelling Exp	13.92	17.14
Vehicle Repairing Exp.	1.61	0.79
	<u>1,036.39</u>	<u>907.25</u>
24.1 Payments to Auditors		
Statutory Audit fees	0.15	0.15
Tax Audit fees	0.10	0.10
	<u>0.40</u>	<u>-</u>
	<u>0.65</u>	<u>0.25</u>
25 Earning Per Equity Share		
1. Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	767.67	120.38
2. Number of equity shares used as denominator for calculating EPS	11,329,716	6,475,125
3. Basic and Diluted Earning per Share	6.78	1.86
4. FACE VALUE PER EQUITY SHARE (IN RS)	10.00	10.00



"26" Earning in Foreign Exchange Nil Nil

"27" Related Party Disclosures under IND AS 24

Related Parties/Nature of Relationship :

Enterprises over which Key Managerial Personnel exercises significant influence

A. significant influence

Dada Organics

Proprietor of Managing Director

B. Key Managerial Persons

Mr. Dineshbhai B Pandya

Promoter- Managing Director

Mrs. Jayshree D. Pandya

Promoter- Director

Ms. Deviben D. Pandya

Director

Mr. Devang D. Pandya

Director

Mr. Jigar D. Pandya

Director

Mr. Rajeshkumar R. Parekh

Independent Director

Mr. Vivek G. Dadhania

Independent Director

Mr. Rushabh Vora

Independent Director

Mr.Yagnik D. Mundadiya

Independent Director

Ms. Kinjal J. Khunt

Independent Director

(Rs. In Lakhs)

Nature of Transaction	FY 20-21	FY 19-20
Key Managerial Personnel		
Director Remuneration		
Mr. Dineshbhai B Pandya	24.00	26.40
Mrs. Jayshree D. Pandya	6.00	6.00
Ms. Deviben D. Pandya	6.00	6.00
Mr. Devang D. Pandya	6.00	6.00
Mr. Jigar D. Pandya	6.00	6.00
Enterprise over which KMP exercise significant influence		
Purchase - Dada Organics	5,552.55	2,511.86
Sales - Dada Organics	-	0.15
Outstanding Payable		
Key Managerial Personnel	4.00	4.00
Dada Organics	1,180.17	1,161.92

"28" Financial Instruments

Particular	(Rs In Lakhs)			
	Carrying Value		Fair Value	
	March 31,2021	March 31,2020	March 31,2021	March 31,2020
Financial Assets				
Amortised cost				
Trade receivables	3,171.12	2,190.44	3,171.12	2,190.44
Cash and cash equivalents	51.68	26.11	51.68	26.11
Loans and Advances (Current)	2.00	8.41	2.00	8.41
Loans and Advances (Non Current)	3.32	3.77	3.32	3.77
FVTOCI				
Investment in equity instruments	-	-	-	-
FVTPL				
Investment in equity instruments (Unquoted)	-	-	-	-
Total Assets	3,228.12	2,228.73	3,228.12	2,228.73
Financial Liabilities				
Amortised cost				
Long Term Borrowings	241.01	164.21	241.01	164.21
Trade payables	1,249.11	1,224.47	1,249.11	1,224.47
Other Financial Liabilities	141.81	186.36	141.81	186.36
Short Term Borrowings	524.85	393.26	524.85	393.26
Total Liabilities	2,156.78	1,968.30	2,156.78	1,968.30

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

i) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

ii) Fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2021 was assessed to be insignificant.

iii) The fair values of the unquoted equity shares, if any have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility, the probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.



***29* Financial Risk Management**

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees in support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and interest rate risk. The Company's primary focus is

to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below:

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counter parties, taking into account their financial position, past experience and other factors.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to Bad debt is not significant. Also the Company does not enter into sales transaction with customers having credit loss history. There are no significant Credit risk with related parties of the Company. The Company's is exposed to Credit risk in the event of non payment of customers. Credit risk concentration with respect to Trade Receivables is mitigated by the Company's large customer base. Adequate expected credit losses are recognised as per the assessment.

The history of Trade receivables shows an allowance for bad and doubtful debts of Rs Nil (Nil as at March 31,2020). The Company has made allowance of Rs Nil (Nil as at March 31,2020) against Trade receivable of Rs. 3171.12 lacs (Rs. 2190.44 Lacs as at March 31,2020).

Bank Deposits

The company maintains its cash and cash equivalents and bank deposits with reputed and highly rated bank. Hence, there is no significant credit risk on such deposits.

Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The company does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk through credit limits with banks.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below :

(Rs in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash and Cash equivalents	51.68	26.11
Total	51.68	26.11

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 and March 31, 2020.

Particulars	As at	Less than 1 year	1-2 years	More than 2 years
Borrowings	March 31,2021	524.85	108.60	132.41
	March 31,2020	393.26	-	-
Trade Payables	March 31,2021	1,249.11	-	-
	March 31,2020	1,224.47	-	-
Other Financial Liabilities	March 31,2021	141.81	-	-
	March 31,2020	186.36	-	-

***30* Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure is as follows :

(Rs in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Total equity attributable to the equity share holders of the company	2,030.20	1,262.53
As percentage of total capital	72.61%	69.37%
Current borrowings	524.85	393.26
Non-current borrowings	241.01	164.21
Total borrowings	765.86	557.47
As a percentage of total capital	27.39%	30.63%
Total capital (borrowings and equity)	2,796.06	1,820.00

The Company is predominantly debt financed which is evident from the capital structure table.

***31* Trade Payable to MSME**

According to the information available with the Management, on the basis of intimation received from suppliers regarding status of Micro, Small And Medium Enterprise Development Act, 2006, the Company has amount due to Micro and Small enterprise under the said Act as on 31.03.2021 is as under:-

Particulars	2020-21	2019-20
Principal Amount Due	-	-
Interest Due on above	-	-
Amount of interest paid in terms of Section 16 of MSME Act, 2006	-	-
Amount of interest due and payable for the period of delay	-	-
Amnt of interest accrued and remaining unpaid as at year end	-	-
Amnt. of further interest remaining due and payable in the succeeding year	-	-



***32* Events Occurring After Balance - Sheet**

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As on 07th June, 2021 there were no subsequent events to be recognised or reported that are not already disclosed."

***33* Segment Information**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

The Company's only business segment is in Herbal , Ayurvedic and Agro Commodity ,hence the disclosure of segment wise information as required by Ind AS 108 on "Segment Reporting" is not applicable .

***34* Contingent Liabilities and Commitment**

NIL

***35* First Time Adoption of IND-AS**

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2021, the comparative information presented in these financial statements for the year ended March 31, 2020 and in the preparation of an opening Ind AS balance sheet at April 1, 2019 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Ind AS optional exemptions

A.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

B. Reconciliations between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliation from previous GAAP and Ind AS.

B.1 Reconciliation of total equity as at 31 March 2020 and 01 April 2019

(Rs In Lakhs)

Particulars	As at 31 March 2020	
	(End of last period presented under previous GAAP)	As at 01 April 2019 (date of Transition)
Total Equity (Shareholder's Funds) under previous GAAP	647.41	647.41
Adjustments:		
Adjustments if any	-	-
Total Adjustments	-	-
Total Equity as per Ind AS	647.41	647.41

B.2 Reconciliation of total comprehensive income for the year ended March 31, 2019

Particulars	March 31,2020
Profit after tax as reported under Previous GAAP	120.38
Adjustments:	
Total Adjustments	-
Profit after tax as per Ind AS	120.38
Other Comprehensive Income	-
Total Comprehensive Income as per Ind AS	120.38

B.3 Impact of Ind AS adoption on the statement of cash flows for the year ended March 31, 2020

The transition from previous GAAP to Ind AS do not have a material impact on the statements of cash flows.

Notes:

1. The previous GAAP figures have been reclassified to conform to Ind AS presentation.

36 In the opinion of the Board of Directors, Current Assets, Loans and Advances have a value of realization equivalent to the amount at which they are stated in the Balance Sheet. Adequate provisions have been made in the accounts for all the known liabilities.

Previous Years Figures have been re-grouped/ re-arranged wherever consider necessary.The Companies has complied the above accounts based

37 on the revised/modified schedule III as applicable for the accounting period 2020-21. The disclosure requirement are made in the notes to accounts for by way of additional statements. The other disclosure required by the Companies Act, are made in the notes to accounts

As per our report of even date

For Loonia & Associates
Chartered Accountants
Registration No. 130883W

Hitesh Loonia
Proprietor
M No 135424
Place - Ahmedabad
Date - 07th June, 2021

UDIN: 21135424AAAADY9736

For and on behalf of the Board

Dineshbhai B. Pandya
Managing Director
DIN: 06647303

Nirajkumar Malaviya
Company Secretary

Jigar D. Pandya
Director
DIN: 07905076

Dev Pandya
CFO

STATEMENT OF ACCOUNTING RATIOS

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Financial Statements ended March 2022 and March 2021 as above:

- On Standalone Basis

Particulars	31-03-2022	31-03-2021
Net Profit for the period/year ended on (A) (₹ in lakhs)	1908.68	767.67
Net worth at the end of period/year ended on (B) (₹ in lakhs)	3938.89	2030.2
No. of equity shares outstanding at the period/year ended on (C) (in lakhs)	1925.67	1132.97
Earnings Per Share (EPS) (Basic and Diluted) (₹) (A/C)	9.91	6.78
Return on Net Worth (%) (A/B)	48.46	37.81
Net Asset Value per Share (in ₹) (B/C)	2.05	1.79
EBITDA (₹ in lakhs)	2491.09	1147.80

Formula used:

- Earnings Per Share (₹):** Net Profit after tax for the year attributable to Equity Shareholders divided by weighted average no of equity shares outstanding during the period.
- Return on Net Worth (%):** Net Profit after tax for the year attributable to Equity Shareholders divided by Net Worth at the end of the period multiplied by 100.
- Net Asset Value Per Share (₹):** Net Assets as at the year-end/ period end divided by total number of equity shares outstanding at the end of the period.
- EBITDA (₹ in lakhs):** Profit before tax plus finance costs plus depreciation and amortisation expense and interest income.

Signed in terms of our separate report of even date.

For and on behalf of
M/s. J S Maheshwari & Co
Chartered Accountants
Firm Registration No: 001318C

Sd/-

CA Dilip Maliwal
(Partner)
Membership No: 148387
Place: Ahmedabad
Dated: 09.06.2022
UDIN No: 22148387AKSPNK8171

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

The following discussion is intended to convey management's perspective on our audited financial condition and results of operations for the financial year ended March 31, 2022 and 2021. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with the section titled "**Financial Information**" beginning on page 69 of the Draft Letter of Offer. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "**Risk Factors**" beginning on page 20 of this Draft Letter of Offer. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer the chapter titled "**Forward-Looking Statements**" beginning on page 17 of this Draft Letter of Offer.

Unless otherwise stated, the financial information of our Company used in this section has been derived from the standalone Audited Financial Information. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year. In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Add-Shop E-Retail Limited, our Company.

BUSINESS OVERVIEW

For Detailed information on our business, please refer to chapter titled "**Our Business**" beginning from page no. 53 of this Draft Letter of Offer

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED PERIOD

In the opinion of the Board of Directors of our Company, since the date of the last audited period i.e. March 31, 2022, there have not arisen any circumstance that materially or adversely affect or are likely to affect the trading or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months:

KEY FACTORS AFFECTING OUR RESULTS OF OPERATION

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "**Risk Factor**" beginning on page 20 of this Draft Letter of Offer. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Our dependence on limited number of customers for a significant portion of our revenues;
2. Any failure to comply with the financial and restrictive covenants under our financing arrangements;
3. Our ability to retain and hire key employees or maintain good relations with our workforce;
4. Impact of any reduction in sales of our services/products;
5. Rapid Technological advancement and inability to keep pace with the change;
6. Increased competition in industries/sector in which we operate;
7. General economic and business conditions in India and in the markets in which we operate and in the local, regional and national economies;
8. Changes in laws and regulations relating to the Sectors in which we operate;
9. Political instability or changes in the Government in India or in the government of the states where we operate could cause us significant adverse effects;
10. Any adverse outcome in the legal proceedings in which we/our promoters may be involved, if any;
11. Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
12. Occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition and
13. Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability.

SIGNIFICANT ACCOUNTING POLICIES:

Our significant accounting policies are described in the section entitled "**Financial Information**" beginning from page no. 69 of the Draft Letter of Offer

SUMMARY OF THE RESULTS OF OPERATION:

The following table sets forth select financial data from Audited standalone Profit and Loss accounts for the financial year ended on 31st March 2022 and 31st March 2021 and the components of which are also expressed as a percentage of total income for such periods.

(Rs. in Lakhs)

Particulars	For the period/year ended			
	31-3-2022	% of Total Revenue	31-03-2021	% of Total Revenue
(1) Revenue				
(a) Revenue from Operations	15965.31	100.00	7857.12	100.00
(b) Other Income	0.00	0.00	0.00	0.00
Total Revenue (1)	15965.31	100.00	7857.12	100.00
(2) Expenses				
(a) Purchase	13129.16	82.24	5629.05	71.64
(b) Change in Inventory	(1163.43)	(7.29)	(71.19)	(0.91)
(c) Employee Benefit Expenses	151.91	0.95	115.07	1.46
(d) Power & Fuel	2.43	0.02	2.81	0.04
(e) Other Expenses	1354.14	8.48	1033.58	13.15
Total Expenses (2)	13474.21	84.40	6709.32	85.39
(3) Profit/(Loss) before Interest, Depreciation and Tax (1-2)	2491.1	15.60	1147.80	14.61
Depreciation & Amortisation Expenses	46.33	0.29	28.38	0.36
(4) Profit/(Loss) before Interest and Tax	2537.43	15.31	1176.18	14.97
Financial Charges	99.48	0.62	98.37	1.25
(5) Profit/(Loss) before Tax	2636.91	14.69	1274.55	16.22
Prior Period Items	-	-	-	-
(6) Profit/(Loss) before Tax	2,636.91	14.69	1274.55	16.22
Tax expense				-
(a) Current Tax	428.7	2.69	256.91	3.27
(b) Deferred Tax	7.9	0.05	(3.53)	(0.04)
Total Tax Expenses	436.6	2.73	253.38	3.22
(7) Profit/(Loss) for the period/ year	3,073.51	19.25	1527.93	19.45

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2022 WITH FISCAL 2021

Total Revenue

During the year under review, the company has recorded a turnover of Rs. **15965.31** Lakhs as compared to Rs. **7,857.12** Lakhs in the Previous Year showing an increase of **103.20%** to the previous year which is as a result of increase in sales..

Depreciation

Depreciation expenses increased from **Rs. 28.38** Lakhs in financial year 2020-21 to **Rs. 46.33** Lakhs in financial year 2021-22, representing an increase of **63.25%** to the previous year.

Total Expenses

The total expenses excluding depreciation, finance cost and tax has been increased to **Rs. 13474.21** Lakhs in Financial year 2021-2022 from **Rs. 6709.32** Lakhs in Financial year 2020-2021.

Profit after Tax

The Company has recorded a net profit to the tune of Rs. **1,908.69** Lakhs as compared to Rs. **767.67** Lacs in the previous year *showing an increase of 148.63%*.

Except as described in this Draft Letter of Offer, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent

SECTION VIII: LEGAL AND OTHER INFORMATIONS

OUTSTANDING LITIGATION AND DEFAULTS

Except as disclosed below, there are no outstanding litigations involving our Company and our Subsidiaries/associates whose financial statements are included in the draft letter of offer, either separately or in a consolidated form including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

- *In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'material';*
- For the purpose of determining materiality, the threshold shall be determined by the issuer as per requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Unless stated to the contrary, the information provided below is as of the date of this Draft Letter of Offer.

I. CONTINGENT LIABILITIES OF OUR COMPANY

As per the Audited Financials for the Financial Year ending 31st March, 2022, the Company has no Contingent Liabilities.

I. LITIGATION INVOLVING OUR COMPANY

- 1. Litigation Involving Actions by Statutory/Regulatory Authorities: NIL.**
- 2. Litigation involving Tax Liabilities:**
 - (i) Direct Tax Liabilities: NIL.**
 - (i) Indirect Taxes Liabilities: NIL.**
- 3. Proceedings involving issues of moral turpitude or criminal liability on the part of our Company: NIL**
- 4. Proceedings involving material violations of statutory regulations by our Company: NIL**
- 5. Matters involving economic offences where proceedings have been initiated against our Company: NIL**

II. LITIGATION INVOLVING OUR DIRECTORS, PROMOTERS AND PROMOTER GROUP: NIL.

III. LITIGATION INVOLVING OUR GROUP ENTITIES: NIL.

IV. LITIGATIONS INVOLVING OUR SUBSIDIARIES: NIL.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoter or any of our Directors are or have been categorized as a willful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters and a fraudulent borrower issued by the RBI.

DETAILS OF MATERIAL DEVELOPMENTS AFTER THE DATE OF LAST BALANCE SHEET I.E. MARCH 31, 2022.

Except as mentioned in this Draft Letter of Offer, no material circumstances have arisen since the date of last financial statement until the date of filing the Draft Letter of Offer, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months to our knowledge.

GOVERNMENT APPROVALS

GOVERNMENT & OTHER KEY APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current business activities and no further major approvals from any governmental/regulatory authority, or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

A. APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Issue:

1. The Board of Directors have, pursuant to Section 62(1)(a) of the Companies Act, 2013, by a resolution passed at its meeting held on June 3, 2022 authorized the Issue.
2. In-principle approval dated [●] from the BSE to use the name of BSE for listing of the Equity Shares issued by our Company pursuant to the Issue.
3. The ISIN of the Company is INE01B501018.

B. APPROVALS PERTAINING TO INCORPORATION OF OUR COMPANY

Sr. No	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1	Certificate of Incorporation in the name of "Add-Shop Promotions Private Limited."	ROC – Ahmedabad	U51109GJ2013PTC076482	20/10/2013	Perpetual
2	Fresh Certificate of Incorporation consequent upon conversion to Private Limited Company as "Add-Shop Promotions Limited"	ROC – Ahmedabad	U51109GJ2013PLC076482	21/06/2018	Perpetual
3	Fresh Certificate of Incorporation consequent upon conversion to Public Limited Company as "Add-Shop E-Retail Limited"	ROC – Ahmedabad	L51109GJ2013PLC076482	26/05/2020	Perpetual

C. BUSINESS RELATED APPROVALS

Description	Licenses Holder Name	Authority	Registration Number	Valid from	Valid up to
Permanent Account Number (PAN)	Add-Shop E-Retail Limited	Income Tax Department, CBDT	AAMCA0240P	27/06/2020	Perpetual
Tax Deduction Account No. (TAN)	Add-Shop E-Retail Limited	Income Tax Department, CBDT	RKTA04657C	29/07/2020	Perpetual
Goods & Services Tax (GST) - GUJARAT	Add-Shop E-Retail Limited	GST Department, GOI	24AAMCA0240P1ZN	03/07/2020	Perpetual
Certificate Of Importer-Exporter Code (IEC)	Add-Shop Promotions Limited	Ministry of Commerce & Industry	AAMCA0240P	17/04/2019	Perpetual



FSSAI Compliance Certificate (Form-C), Gujarat	Add-Shop E-Retail Limited	Food and Drugs Control Administration	10720019000303	31/08/2020	Perpetual
UDYAM MSME Registration Certificate	Add-Shop E-Retail Limited	Ministry of MSME Government of India	UDYAM-GJ-20-0008598	13/11/2020	Perpetual
ISO 9001:2015 (Quality Management System)	Add-Shop Promotions Limited	Otabu Certification Private Limited	18076150227	27/07/2018	26/07/2021
Registration Certificate for Employees Provident Fund	Add-Shop Promotions Limited	Employee Provident Fund Organisation	GJRAJ1853115000	-	Perpetual-
Registration for ESI Act	Add-Shop Promotions Limited	Employee State Insurance Corporation	37001148410001002	-	Perpetual-
Trade License Gujarat -Wholesale License -Retail License	Add-Shop Promotions Limited Add-Shop Promotions Limited	Municipal Corporation	FFW190001000 FFR190001510	03/08/2019 11/09/2019	02/08/2022 10/09/2022

Some registrations/approvals as mentioned above are still in the name of old name, the issuer company is under process for updating of name is respective authority.

TRADEMARK REGISTRATION

We regard our intellectual property as one of the most important factors in contributing to our success, and our intellectual property rights include trademarks associated with our businesses and other rights arising from confidentiality agreements relating to our database, website content and technology.

Our company is using trademark logo which is owned by Company. Our Company's logo is registered under the Trade Mark Act as per below details.

Sr. No.	Logo	Class	Trademark Type	Owner of Trademark	Application No.	Date of application	Status
1		35	Device	Add-Shop Promotions Private Limited.	3309283	14/07/2016	Registered
2		31	Device	Add-Shop Promotions Limited.	4240390	19/07/2019	Registered

[CLASS : 35] SERVICES RELATED TO IMPORT EXPORT AND RETAILING SHOWROOM OF HERBAL COSMETICS, HOUSEHOLD CHEMICALS, PHARMACEUTICALS AND AYURVEDIC PREPARATION, ANIMAL FEED SUPPLEMENTS, AGRICULTURE AND HORTICULTURE PRODUCTS AND FOOD STUFFS INCLUDED IN CLASS – 35.

[CLASS : 31] IN RESPECT OF RAW AND UNPROCESSED AGRICULTURAL, AQUACULTURAL, HORTICULTURAL AND FORESTRY PRODUCTS; RAW AND UNPROCESSED GRAINS AND SEEDS;



FRESH FRUITS AND VEGETABLES, FRESH HERBS; NATURAL PLANTS AND FLOWERS; BULBS, SEEDLINGS AND SEEDS FOR PLANTING; LIVE ANIMALS; FOODSTUFFS AND BEVERAGES FOR ANIMALS; MALT INCLUDED IN CLASS – 31.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

1. The Issue of this Right Equity Shares to the eligible shareholders in terms of this Draft Letter of Offer has been authorized by a resolution by the Board of Directors passed at their meeting held on June 3, 2022 under Section 62(1)(a) of the Companies Act 2013.
2. Our Board in its meeting held on June 3, 2022 has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders aggregating up to ₹ 49.50 crores and decided to issue the Rights Equity Shares at an Issue Price of ₹ 54/- per Rights Equity Share (including a premium of ₹ 44/- per Rights Equity Share), in the ratio of [●] Rights Equity Share for every [●] Equity Shares, as held on the Record Date. The Issue Price of ₹ [●] per Rights Equity Share has been arrived at, in consultation with the Lead Managers, prior to determination of the Record Date.
3. This Draft Letter of Offer has been approved by our Board pursuant to its resolution dated June 10, 2022.
4. Our Company has received In-principle approval from BSE (being the Designated Stock Exchange) under regulation 28 of the SEBI Listing Regulation vide their letter dated [●], 2022 for listing of Right Equity Shares to be allotted in the issue. In-principle approval from CSE is not required as CSE is a regional stock exchange.
5. Our Company will also make applications to the BSE to obtain their trading approvals for the Rights Entitlements as required under the [●] 2022 – Rights Issue Circular.
6. Our Company has been allotted the ISIN [●] 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 **118** of this Draft Letter of Offer.

Confirmation:

- Our Company, our Promoters, Promoter Group, our Directors, person(s) in control of the promoter or our Company have not been or are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.
- Our Company, our Promoters, Promoters’ Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
- None of our Directors are associated with the securities market in any manner and there has been no outstanding action initiated by the SEBI against the Directors.

Eligibility for the Issue:

In terms of Regulation 3 of SEBI ICDR regulation, in case of rights issue size is less than Rs. Fifty (₹50.00) crores, the issuer shall prepare the letter of offer in accordance with requirement as specified in the regulation and file the same with the SEBI for information and dissemination on the SEBI’s website.

Our Company is a listed company and is eligible to make this Rights Issue in terms of Chapter III of 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 with the designated stock exchange in compliance with the listing agreements or SEBI Listing Regulations (to the extent applicable) for the last one year immediately preceding the date of this Draft Letter of Offer;
2. The reports, statements and information referred to in paragraph (1) above are available on the website of BSE with nationwide trading terminals.
3. Our Company has investor grievance-handling mechanism which includes meeting of the Stakeholders Relationship Committee at frequent intervals, appropriate delegation of power by the 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, disclosures in this Draft Letter of Offer have been made in terms of Clause (4) of 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, details are mentioned as under:

- Our Company, any of our Promoters, Promoter Group or our Directors are not debarred from accessing the capital market by SEBI.
- None of our promoters or Directors of our company is a promoter or director of any other company which is debarred from accessing the capital market by SEBI.
- None of our Promoters or our Directors are declared as Fugitive Economic Offenders within the meaning of the Fugitive Economic Offenders Act, 2018.
- Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made an application to BSE (designated stock exchanges having nationwide terminal) for their In-principle approval and undertakes to make an application to BSE for listing and trading approval of the Rights Equity Shares to be issued pursuant to the Issue.
- All Equity Shares are fully paid-up and there are no partly paid Equity Shares outstanding as on the date of this Draft Letter of Offer. The Rights Equity Shares, when issued, shall be fully paid-up.
- We will ensure compliance with the conditions specified in Regulation 62(2) of the SEBI ICDR Regulations, to the extent applicable.
- Neither our Company, nor our Promoters or our Directors, have been identified as a willful defaulter by the RBI.
- The promoters or promoter group of our company will not be given any right entitlement and the rights issue is only for the public shareholders.

DISCLAIMER CLAUSE OF SEBI

In terms of Regulation 3 of SEBI ICDR regulation, in case of Rights Issue size is less than Rs. Fifty (₹50.00) crores, the issuer shall prepare the letter of offer in accordance with requirement as specified in the regulation and file the same with the SEBI for information and dissemination on the SEBI's website.

Since the Board of Directors of our Company has approved and passed resolution on June 3, 2022 to authorize the Board of Directors to raise the funds by way of Right Offering amount not exceeding Rupees Forty Nine Crores Fifty Lakhs Only (₹49.50 Crores), the draft letter of offer has not been filed with SEBI for their approval. Only the Letter of Offer will be filed with the SEBI for information and dissemination on the SEBI's website.

HOWEVER, IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE LETTER OF OFFER TO THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER.

DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at the instance of our company and that 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 been represented by our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Right Equity Shares of our Company, and are relying on independent advice/evaluation as to their ability and quantum of investment in this Issue.

CAUTION

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders 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 Draft Letter of Offer with the SEBI/Stock Exchange.

No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorised information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

DISCLAIMER IN RESPECT OF JURISDICTION

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in **Rajkot, Gujarat, India** only.

DISCLAIMER CLAUSE OF BSE (THE DESIGNATED STOCK EXCHANGE)

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The disclaimer clause, as intimated by BSE to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with the stock exchange. [●]

LISTING

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

FILING

The Draft Letter of Offer shall not be filed with SEBI, nor will SEBI issue any observation on the Draft Letter of Offer as the size of issue is less than Rupees Fifty Crores.

The Draft Letter of Offer has been filed with BSE (the Designated Stock Exchange having nationwide terminal) for obtaining in-principle approval.

However, a copy of the Letter of Offer shall be filed with the SEBI for the purpose of their information and dissemination on its website through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 issued by the SEBI and with the Designated Stock Exchanges. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of the Letter of Offer to the e-mail address: cfddil@sebi.gov.in.

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 SEBI and monitor the same on regular interval.
- ✓ Our Company has a Stakeholders Relationship Committee to redress complaints, if any. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights.
- ✓ Our Company has appointed Mr. Nirajkumar Malaviya, Company Secretary, as the Compliance Officer to redress complaints, if any.

Cameo Corporate Services Limited is Registrar to our Company. All investor grievances received by us have been handled by the Registrar in consultation with the Company Secretary and Compliance Officer.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar for the redressal of routine investor grievances shall be seven (7) to fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Investor Grievances arising out of the Issue

Our company has appointed Cameo Corporate Services Limited (“CAMEO”) as Registrar to this Right issue.

Our Company has also appointed Mr. Nirajkumar Malaviya, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue.

Investors may contact the Registrar or our Compliance Officer for any pre-Issue/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 ID of the sole/first holder, folio number or demat account number, serial number of the Application Form, number of Rights 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 ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process).

In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the investor grievances in a time bound manner.

Contact details of the Registrar to this issue and of our Company Secretary and Compliance Officer are as follows:

Registrar to the Issue

CAMEO CORPORATE SERVICES LIMITED

"Subramanian Building", No. 1, Club House
Road, Chennai - 600 002, India

Tel No: +91-44-40020700

Email: investor@cameoindia.com

priya@cameoindia.com

Contact Person: Ms. K Sreepriya

Website: www.cameoindia.com

SEBI Registration Number: INR000003753

Company Secretary & Compliance officer

Mr.Nirajkumar Kishorbhai Malaviya

Add-Shop E-Retail Limited

B-304 Imperial Height 1150ft Ring Road

Rajkot-360005, Gujarat, India

E-Mail ID: investor@addshop.co

Contact No: 0281-2580499

Website: www.addshop.co

Status of outstanding investor complaints in relation to our Company

As on the date of this Draft Letter of Offer, there were no outstanding investor complaints in relation to our Company.

SECTION IX: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.

Further, in accordance with Regulation 77A of the SEBI ICDR Regulations read with the January 22 – Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Eligible Equity Shareholders who are holding Equity Shares in physical form and are desirous of subscribing to the Issue, are advised to furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date. However, SEBI, pursuant to the May 6 – Rights Issue Circular and July 24 – Rights Issue Circular has stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the January 22 – Rights Issue Circular or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their application subject to conditions. For more details, see “Application by Eligible Equity Shareholders holding Equity Shares in physical form” beginning on page nos. **137** of this Draft Letter of Offer.

Investors are requested to note that application in this Issue can only be made through ASBA, in case of Eligible Equity Shareholders.

The Rights Entitlement on the Securities, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents /records confirming the legal and beneficial ownership of the Securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Securities to the identified Eligible Equity Shareholder.

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft 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 Act, 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 the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice.

Important:

Dispatch and availability of Issue materials:

In accordance with the SEBI ICDR Regulations and relevant SEBI circulars on Rights Issue, our Company will send, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company; (iii) physical delivery only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company;

and (iv) to the e-mail addresses of the foreign corporate or institutional shareholders, and in each case who make a request in this regard.

The Draft Letter of Offer will also be provided by our Company to any existing Shareholder who makes a request in this regard.

Please note that Eligible Equity Shareholders, in order to update the respective Indian addresses/ email addresses/ mobile numbers in the records maintained by the Registrar or our Company, should visit <https://rights.cameoindia.com/addshop>. Investors can access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

our Company at www.addshop.co;

the Registrar at <https://rights.cameoindia.com/addshop>;

the Lead Manager at www.finshoregroup.com;

the Stock Exchange at www.bseindia.com

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar <https://rights.cameoindia.com/addshop> by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form), PAN and such other credentials as may be required. The link for the same shall also be available on the website of our Company (www.addshop.co).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current COVID-19 situation, our Company and the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form

Please note that neither our Company nor the Registrar nor the Lead Manager 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 email 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 the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights 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 SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights 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 outside India, 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.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid email addresses and an Indian address to our Company.

This Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

Process for Application in this Issue:

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see “Procedure for Application through the ASBA Process” below:

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see “*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” on Page 122

ASBA facility: Investors can submit either the Application Form in physical mode to the Designated Branch 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, see “*Procedure for Application through the ASBA Process*” beginning on page no. 133 of this Draft Letter of Offer.

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 see “Grounds for Technical Rejection” beginning on page [●] of this Draft Letter of Offer. Our Company, the Lead Manager, 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 SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper applications and 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, see “*Terms of the Issue - Application on Plain Paper under ASBA process*” beginning on page 135.

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:

(i) apply for its Equity Shares to the full extent of its Rights Entitlements; or

- (ii) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part);
or
- (iii) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares;
or
- (v) renounce its Rights Entitlements in full

Making of an Application through the ASBA facility:

An Investor, 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. Investors 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.

Investors 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, refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=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.

The Lead Managers, 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 Investors 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 Investors 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 Lead Managers, 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.

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 see **“Grounds for Technical Rejection”** appearing on Page 141 of this Draft Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

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 Rights 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/addshop>) 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

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 ISIN: [●]. 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 Rights 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 Rights Equity Shares offered under Rights Issue for subscribing to the Rights 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 clear 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/addshop>). 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 Circular, the credit of Rights Entitlements and Allotment of Rights 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, "Add-Shop E-Retail 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 a demat suspense account pursuant to Regulation 39 of the SEBI LODR Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit/credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) 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 (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

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 the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, 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 the Company or the Registrar account is active to facilitate the aforementioned transfer.

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.

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 the same can be uploaded in the web portal of the Registrar at <https://rights.cameoindia.com/addshop>.
- 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 “*Application on Plain Paper under ASBA process*” on page 135.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed to 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.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company or the Registrar containing the name(s), Indian address, email 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 post, speed post, courier, electronic mail or hand delivery, to enable process of credit of Rights Equity Shares in such demat account. Alternatively the same can be uploaded in the web portal of the Registrar at . <https://rights.cameoindia.com/addshop>.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” beginning from page 137.

Application for Additional Equity Shares

Investors 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*” beginning on page 145.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled “*Procedure for Application through the ASBA process*” on page 133 of this Draft Letter of Offer.

Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: +91-44-40020710 / 0706 / 0741

Updation of Email address/ mobile number in the records maintained by the Registrar or our Company: . <https://rights.cameoindia.com/addshop>

Updation of Indian address in the records maintained by the Registrar or our Company by email to . priya@cameoinda.com

Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: . <https://rights.cameoindia.com/addshop>

Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: . <https://rights.cameoindia.com/addshop>

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.

Basis for this Issue

The Rights Equity Shares are being offered for subscription for cash 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, fixed in consultation with the Designated Stock Exchange, but excludes persons not eligible under applicable laws, rules, regulations and guidelines.

Rights Entitlements

Eligible Equity Shareholders whose 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, may be entitled to subscribe to the number of Rights 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/addshop>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form), PAN and such other credentials as may be required. The link for the same shall also be available on the website of our Company (www.addshop.co).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. 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/addshop>). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery, only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company; (iii) physical delivery, only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of the foreign corporate or institutional shareholders, and in each case who make a request in this regard.

The Draft Letter of Offer will also be provided to any existing Shareholder who makes a request in this regard.

The Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange website. The distribution of the Draft, Letter of Offer, Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights 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 Draft Letter of Offer has been filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, 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 legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer, 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 in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Draft Letter of Offer, 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 the Draft Letter of Offer, 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 Rights Equity Shares or the Rights Entitlements, distribute or send the 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. If the Draft Letter of Offer 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 the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹10/-.

Issue Price

Each Rights Equity Share is being offered at a price of ₹54/- per Rights Equity Share (including a premium of ₹44/- per Rights Equity Share) in this issue. Investors will have to pay the entire offer price i.e., ₹54/- per Rights Equity Share at the time of Application.

The Issue Price for Rights Equity Shares has been arrived at by our Company in consultation with the Lead Manager and has been decided prior to the determination of the Record Date.

Ranking of Equity Shares

The Rights Equity Shares being issued shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Rights Equity Shares shall rank pari-passu, in all respects including dividend, with our existing Equity Shares.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

Mode of Payment of Dividend

In the event of declaration of dividend, our Company shall pay dividend to the shareholders of our Company as per the provisions of the Companies Act and the provisions of the Articles of Association.

Credit Rating

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] ([●]) Rights Equity Share for every [●] ([●]) Equity Shares held by the Eligible Equity Shareholders as on the Record Date, which will be credited in the demat account of the Applicant after the Allotment.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] ([●]) Rights Equity Shares for every [●] ([●]) 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 [●] ([●]) Equity Shares or is not in the multiple of [●] ([●]) Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than [●] ([●]) Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Shares, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Process of Credit of Rights Entitlements in dematerialised account

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 Rights 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, "Add Shop E Retail Limited Rights Issue - Suspense Escrow Demat Account") opened by our Company, for the Eligible Equity Shareholders holding Equity Shares in physical form.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the 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 [●]. The said ISIN shall remain frozen (for debit) till the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period. It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

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 the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●] 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 i.e., by [●], 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 the Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

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 relevant circulars, 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 favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA

Rules and other relevant circulars, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer. For details, see ***“Procedure for Renunciation of Rights Entitlements”*** on page 134.

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI Circular No. 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 the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, ***will not be able to renounce their Rights Entitlements.***

Trading of the Rights Entitlements

In accordance with the SEBI January 22 - Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchange under ISIN [●]. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchange on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. 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. For details, see ***“Procedure for Renunciation of Rights Entitlements – On Market Renunciation”*** and ***“Procedure for Renunciation of Rights Entitlements – Off Market Renunciation”*** on page 135.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Rights Equity Shares

[●] Rights Equity Share is being offered at a price of ₹54/- per Rights Equity Share (including a premium of ₹44/- per Rights Equity Share), for every [●] Rights Equity Share allotted in this Issue. Investors will have to pay the entire offer price i.e. ₹54/- per Rights Equity Share at the time of Application.

Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights 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 and SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021. 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.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approval, the Rights 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 Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received In-principle approval from the BSE through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchange 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 this Issue will trade after the listing thereof.

The existing Equity Shares are listed on BSE (Scrip Code: 541865) under the ISIN: INE01B501018. The Rights Equity shall be credited to temporary ISINs which will be frozen until the receipt of the final listing/ trading approval from the Stock Exchange. Upon receipt of such listing and trading approval, the Rights Equity Shares shall be debited from such temporary ISINs and credited to the existing ISIN as fully paid-up Equity of our Company 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 Rights 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, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights 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 our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see *“Capital Structure - Intention and extent of participation by our Promoter and Promoter Group”* on page 36.

Rights of holders of Rights Equity Shares of our Company

Subject to applicable laws, holders of the Rights Equity Shares shall have the following rights:

- The Rights Equity Shares shall rank pari-passu with the existing Equity Shares in all respects.
- The right to receive dividend, if declared;
- The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Equity Shareholders holding Equity Shares in physical form;
- The right to receive surplus on liquidation;
- The right to free transferability of Rights Equity Shares;
- The right to attend general meetings of our Company and exercise voting powers in accordance with law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for the Rights Equity Shares in dematerialized mode is one Equity Share.

Minimum Subscription

In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of 90% of the Issue Size, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date. If there is any delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company and Directors who are in shall pay interest for the delayed period, at such rates as prescribed under the applicable laws.

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. Application forms 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 Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights 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 Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor 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

Our Rights Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence no arrangements for disposal of odd lots are required.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI (LODR) Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery, only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid e-mail address to our Company; (iii) physical delivery, only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders, in each case who make a request in this regard.

The Draft Letter of Offer, Letter of Offer will also be provided by our Company to any existing Shareholder who makes a request in this regard.

Further, our Company along with the Lead Manager will undertake all adequate steps to dispatch the physical copies of the Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

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, one Hindi language national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation (Gujarati being the regional language of Gujarat, where our Registered and Corporate Office is situated).

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their websites.

Offer to non-resident Eligible Equity Shareholders/Investors

As per Rule 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the 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 in 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 Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice.

The Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the e-mail address of non-resident Eligible Equity Shareholders who have

provided an Indian address 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. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchange. The Rights Committee may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights 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 Rights 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 and the Lead Manager.

Any non-resident shareholder who has applied in the Issue without submitting RBI approval and/or without providing Indian address, his/her application will be liable for rejection.

Please note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the 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 the RBI and to obtain prior approval from RBI for applying in this Issue.

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. through email to priya@cameoindia.com

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see *“Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form”* on page 137.

The Lead Manager, 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.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to the Eligible Equity Shareholders (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery, only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company; (iii) physical delivery, only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders. The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email or physical delivery, as applicable, at least three days before the Issue Opening Date.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the 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 or there is a delay in physical delivery (where applicable).

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit <https://rights.cameoindia.com/addshop> Investors can access the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

our Company at www.addshop.co:

the Registrar at <https://rights.cameoindia.com/addshop>;

the Lead Manager at www.finshoregroup.com;

the Stock Exchange at www.bseindia.com

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar <https://rights.cameoindia.com/addshop> by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form), PAN and such other credentials as may be required. The link for the same shall also be available on the website of our Company (i.e., www.addshop.co).

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application 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 Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “*Grounds for Technical Rejection*” on page [●]. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any 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 an application that is available on the website of the Registrar, Stock Exchange, Lead Manager or on a plain paper with the same details as per the Application Form available online. 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, see “*Application on Plain Paper under ASBA process*” on page 135.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights 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:

apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
renounce its Rights Entitlements in full.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in ***“Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form”*** on page 137.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application 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.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization 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.

Self-Certified Syndicate Banks

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&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application 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, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section ***“Application on Plain Paper under ASBA process”*** on page 135.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. The Rights Entitlements comprise of [●] ([●]) Rights Equity. Where the number of additional Rights 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 Rights Equity Shares

shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section **“Basis of Allotment”** on page 145.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. 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 Rights Equity Shares while submitting the Application through ASBA process.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off-market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Rights Equity Shares. The Investors 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.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors 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.

The Lead Manager and 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 Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under the ISIN that shall be allotted for the Rights Entitlement subject to requisite approval. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors 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 - [●] (for Rights Entitlement) that shall be allotted for the Rights Entitlement and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on ‘T+2 rolling settlement basis’, where ‘T’ refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

(b) Off Market Renunciation

The Investors 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 account of the Renounees on or prior to the Issue Closing Date.

The Investors 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 (for Rights Entitlement) that shall be allotted for the Rights Entitlement, 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 Investors 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.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. 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 address outside India. 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 bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

Name of our Company, being “*Add-Shop E-Retail Limited*”;

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);

Registered Folio No./DP and Client ID No.;

Number of Equity Shares held as on Record Date;

Allotment option – only dematerialised form;

Number of Rights Equity Shares entitled to;

Total number of Rights Equity Shares applied for;

Number of additional Rights Equity Shares applied for, if any;

Total number of Rights Equity Shares applied for;

Total amount paid at the rate of ₹[●]/- each for Rights Equity Shares issued in one Rights Entitlement;

Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;

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, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the the Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

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 Rights Equity Shares applied for pursuant to this Issue;

Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

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

In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”) except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar, the Lead Managers or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Managers or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction. I/ We will not offer, sell or otherwise transfer any of the 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 investors 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 Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act (“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 Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Manager, their 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, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://rights.cameoindia.com/addshop>.

I/ We acknowledge that Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date”.

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, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

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 ASBA facility, the Investor 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 Investor’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 Investor 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 Draft 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, 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 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.

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.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

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 Investor 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 hereinafter.

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 Rights 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 Rights 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 resident 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.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in ***“Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form”*** on page 137.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit <https://rights.cameoindia.com/addshop>.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

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:

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 the same can be uploaded in the web portal of the Registrar at <https://rights.cameoindia.com/addshop>.

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;

The Eligible Equity Shareholders can access the Application Form from:
our Company at www.addshop.co;

the Registrar at <https://rights.cameoindia.com/addshop>;
the Lead Manager at www.finshoregroup.com;
the Stock Exchange at www.bseindia.com

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar <https://rights.cameoindia.com/addshop> by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form), PAN and such other credentials. The link for the same shall also be available on the website of our Company (www.addshop.co);

The Eligible Equity Shareholders shall, on or before the Issue Closing Date submit the Application Form to the Designated Branch of the SCSB or online/electronic Application 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.

Further, such resident Eligible Equity Shareholder can:

apply for its Rights Equity Shares to the full extent of its Rights Entitlements;
apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); and
apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares.

PLEASE NOTE THAT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS 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 INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE [●].

General instructions for Investors

- a) Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
- b) In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in *“Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form”* on page 137.
- c) Please read the instructions on the Application Form sent to you.
- d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.
- e) Application should be made only through the ASBA facility.
- f) 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 the 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.

- g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section ***“Application on Plain Paper under ASBA process”*** on page **135**.
- h) An Investor participating in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- i) Applications should be 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. Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.
- j) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager.
- k) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- l) 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 Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- m) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- n) 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 Investors must sign the Application as per the specimen signature recorded with the SCSB.
- o) 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.
- p) All communication in connection with Application for the Rights Equity Shares, including any change in address 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 numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address 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 Shares in physical form.
- q) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

- r) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- s) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- t) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.
- u) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

Do's:

- Ensure that the Application Form and necessary details are filled in. In place of Application number, Investors 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.
- Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- 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.
- Investors should provide correct DP ID and client ID/ folio number 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. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- Do not pay the Application Money in cash, by money order, pay order or postal order.
- Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

- Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- 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 and have signed the same.
- 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.
- 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.
- 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.
- Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 read with press release dated June 25, 2021 and September 17, 2021

Don'ts for Investors applying through ASBA:

- Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (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.
- Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- b) Sending an Application to the Registrar, Escrow Collection Banks (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 or our Company.
- c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- e) Account holder not signing the Application or declaration mentioned therein.
- f) Submission of more than one Application Forms for Rights Entitlements available in a particular demat account.
- g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

- h) 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).
- i) 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.
- j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer.
- l) Physical Application Forms not duly signed by the sole or joint Investors.
- m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- n) If an Investor 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 Investor to subscribe to their Rights Entitlements.
- o) 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) or other jurisdictions where the offer and sale of the Rights 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) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Equity Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.
- p) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- q) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- r) Applications by a non-resident without the approval from RBI with respect to Rule 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

Depository account and bank details for Investors holding Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT

NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number 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. Hence, Investors 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 Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email 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 Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor 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 Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Modes 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.

Mode of payment for Resident Investors

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 Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Manager.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders.

The Letter of Offer will be provided by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders at (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders, in each case who make a request in this regard.

2. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.

In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

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 the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approval.

Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights 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.

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.

Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

Multiple Applications

In case where multiple Applications are made in respect the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. Similarly, a separate Application can be made against Equity Shares held in dematerialised form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. 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”* below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], i.e., Issue Closing Date. The Rights Committee may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by the Rights Committee, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and the Rights Committee shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, *“Basis of Allotment”* on page 145.

Please note that on the Issue Closing Date Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

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, applying through ASBA facility, may withdraw their application post the Issue Closing Date.

Issue Schedule

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION*	[●]
ISSUE CLOSING DATE	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

Note: The above timetable is indicative in nature and does not constitute any obligation on the Company or the Lead Manager. While our Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the main board platforms of BSE are taken within the prescribed timelines, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the BSE. The Commencement of the trading of Equity shares will be entirely at the discretion of BSE in accordance with the applicable laws.

* 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.

The Board of Directors or the Rights Issue Committee will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from 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., [●] 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.

For details, see **“General Information - Issue Schedule”** on page 35.

Our Board / The Rights Issue Committee may however decide 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).

Basis of Allotment

Subject to the provisions contained in this Draft 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 Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renounee(s) who has or have applied for Rights 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 Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights 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 Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights 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 Rights

Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

- d) Allotment to Renounees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights 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, 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 Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. 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;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. 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 to refund such Applicants.

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will e-mail Allotment advice, refund intimations or demat credit of Shares and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and the 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 15 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 email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

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.

- (a) Unblocking amounts blocked using ASBA facility.
- (b) National Automated Clearing House ("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 the 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 the 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.

(c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors’ 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 Investors 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 Investors through this method.

(d) **Direct Credit** – Investors having bank accounts with the Bankers 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.

(e) **RTGS** – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors 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 Investor’s bank receiving the credit would be borne by the Investor.

(f) For all other Investors, 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 demand drafts drawn in favor of the sole/first Investor and payable at par.

(g) Credit of refunds to Investors 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 Shares

The demat credit of Shares to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

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 PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. 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 Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights 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 email 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 Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected. Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares in this Issue must check the procedure for application by and credit of Rights Equity Shares to such Eligible Equity Shareholders in "***Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form***" on page 137.

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 investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post -Offer Equity Share capital. In case the total holding of an FPI or investor 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 investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates.

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. The FPIs who wish to participate in the Offer 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 Shares 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 (iv) 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: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) 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.

Procedure for Applications by AIFs, FVCIs and VCFs

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. 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.

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 incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issuance of the Rights Equity Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 451A of the 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.

Impersonation

As a matter of abundant caution, attention of the Investors 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 Shares; 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 Shares; or otherwise induces directly or indirectly a company to allot, or register any transfer of, Shares 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 for fraud involving an amount of at least ₹ 10 lakhs 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 ₹ 10 lakhs 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 ₹ 50 lakhs or with both.

Payment by stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch 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.

The Rights Committee 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 cases where refunds are applicable, such refunds shall be made within a period of 15 days. In case of failure to do so, our Company and the Directors who are “officers in default” shall pay interest at the prescribed rate. 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 Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 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.

Undertakings by our Company

Our Company undertakes the following:

- The complaints received in respect of the issue shall be attended to by our Company expeditiously and satisfactorily.

- All steps for completion of the necessary formalities for listing and commencement of trading at all stock exchange where the Right Equity Shares are to be listed are taken within the time limit specified by the SEBI.
- The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by our Company.
- Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- Where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants.
- Adequate arrangements shall be made to collect all ASBA applications

Utilisation of Issue Proceeds:

Our Board declares that:

- A. All monies received out of issue of this Right Equity Issue to the public shall be transferred to a separate bank account.
- B. Details of all monies utilized out of this Right Issue referred to in clause (A) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilised; and
- C. Details of all unutilized monies out of this Right Issue referred to in clause (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.

Important

Please read this Draft 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 Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

All enquiries in connection with this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number 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 “**ADD-SHOP E-RETAIL LIMITED – RIGHT ISSUE**” on the envelope and postmarked in India or in the email) to the Registrar at the following address:

Cameo Corporate Services Limited

Subramanian Building, No,1 Club House Road Chennai 600002, Tamilnadu, Email: priya@cameoindia.com

Website: <https://rights.cameoindia.com/addshop>

Investor Grievance Email Id: investor@cameoindia.com

Contact Details: 91-44-40020700 / 0710 / 0706 / 0741; **Fax Number:** 91-44-28460129

Contact Person: Sreepriya K

SEBI Registration No: INR000003753

CIN: U67120TN1998PLC041613

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.addshop.co). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 73388 08559 or 91-44-4002 0710

This Issue will remain open for a minimum [●] days. However, the Rights Committee 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

There are two routes through which foreign investors may invest in India. One is the “automatic route”, where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the “government route”, where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

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 Policy”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates 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 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 between FEMA and such policy pronouncements, FEMA prevails.

As per Rule 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the RBI has given general permission to Indian companies to issue rights securities to non-resident shareholders including additional rights securities. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, inter alia, (i) subscribe for additional securities over and above their rights entitlement; (ii) renounce the securities offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the securities renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, Allotment of Rights Equity Shares and issue of Allotment advice. This Draft Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter and Application Form shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only. If an NR or NRI Investor has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Rights Equity Shares. The Rights 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 Rights Equity Shares are issued on rights basis.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

The Rights Entitlements, Rights Equity Shares and Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Rights Entitlements and Rights Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sale occur. The Rights Entitlements, Rights Equity Shares and Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after



the date of this Draft Letter of Offer. Applicants are advised to consult their legal counsel, to make their independent investigations and ensure that Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

SECTION X: STATUTORY AND OTHER INFORMATION

- A) *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.*

B) Material Contracts and Documents for Inspection

The copies of the following contracts (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 Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of this Draft Letter of Offer until the Issue Closing Date.

A. Material Contracts to the Issue

1. Issue Agreement dated June 9, 2022 entered into among our Company and the Lead Manager.
2. RTA Agreement dated June 10, 2022 entered into among our Company and the Registrar to the Issue.
3. Escrow Agreement dated [●], 2022 among our Company, the Lead Manager, the Registrar to the Issue and the Banker to the Issue.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporation of our Company dated August 20, 2013 issued by Registrar of Companies, Gujarat, Dadra and Nagar Havelli in the name of Add-Shop Promotions Private Limited. Subsequent Certificate of Incorporation dated June 21, 2018 in the name of Add-Shop Promotions Limited and Certificate of Incorporation dated May 26, 2020 in the name of Add-Shop E-Retail Limited.
3. Resolution of the Board of Directors of our Company under section 62 of the Companies Act, 2013 dated June 3, 2022 authorizing the Issue.
4. Resolution of the Board/Rights Issue Committee dated [●], 2022, approving the terms of the Issue.
5. Resolution of our Board dated [●] approving the Draft Letter of Offer.
6. Consents of Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditors, Legal Advisor to the Issue, Banker to the Issue, Lead Manager, Registrar to the Issue, to include their names in the Draft Letter of Offer to act in their respective capacities.
7. Annual Reports of our Company for Fiscal, 2021, 2020, 2019, 2018 and 2017.
8. The reports of the Statutory Auditors, in relation to the Audited Financial statement for the Financial ended 2021-22 as reported to BSE.
9. Statement of Tax Benefits from statutory auditor of the company dated [●].
10. In-principle listing approval dated [●], 2022 from the BSE Limited.

Any of the contracts or documents mentioned in this Draft 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 Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We, hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. All the legal requirements connected with the issue as also the guidelines, instructions etc., issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with.

We further certify that all the statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Mr. Dineshbhai Bhanushankar Pandya DIN: 06647303 Designation: Managing Director	S/d-
Mrs. Jayshree Dineshbhai Pandya DIN: 06647308 Designation: Non-Executive Director	S/d-
Ms. Deviben Dineshbhai Pandya DIN: 07905047 Designation: Executive Director	S/d-
Mr. Dev Dineshbhai Pandya DIN: 07905073 Designation: Executive Director	S/d-
Mr. Jigar Dineshkumar Pandya DIN: 07905076 Designation: Executive Director	S/d-
Mr. Rajeshkumar Rasiklal Parekh DIN: 08139094 Designation: Independent Director	S/d-
Mr. Vivek Gopalbhai Dadhania DIN: 08165978 Designation: Independent Director	S/d-
Mr. Rushabh Vora DIN: 08165987 Designation: Independent Director	S/d-
Mr. Yagnik Dilipbhai Mundadiya DIN: 08165999 Designation: Independent Director	S/d-
Mrs. Kinjal Jasmatbhai Khunt DIN: 08166013 Designation: Independent Director	S/d-

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER	SIGNED BY THE CHIEF FINANCIAL OFFICER
S/d-	Sd/-
_____	_____
Mr. Nirajkumar Kishorbhai Malaviya	Mr. Dev Dineshbhai Pandya

Dated: June 10, 2022
Place: Rajkot