



SHIVASHRIT FOODS LIMITED

Corporate Identity Number (CIN): U15490UP2017PLC096223

Our Company was incorporated as “Shivashrit Foods Private Limited”, on August 23, 2017, a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation granted by the Registrar of Companies, Kanpur at Uttar Pradesh (“RoC” or “Registrar of Companies”). Upon the conversion of our Company into a public limited company, pursuant to resolution passed by our Board of Directors on July 10, 2024 and a special resolution passed by our Shareholders on August 5, 2024, the name of our Company was changed to “Shivashrit Foods Limited” and a fresh certificate of incorporation dated October 4, 2024, having CIN number U15490UP2017PLC096223 was issued by the RoC For details of changes in our name of our Company, see “History and Certain Corporate Matters” on page 161 of this Draft Red Herring Prospectus.

Corporate Identity Number (CIN) of the Company is U15490UP2017PLC096223

Registered Office: Gopal Ganj, Sarai Lavaria Aligarh, Uttar Pradesh - 202001; **Tel No.:** +91 571 3500346

Website: www.shivashritfoods.com; **E-mail:** info@shivashrit.com

Contact Person: Ms. Bharti, **Company Secretary and Compliance Officer**

OUR PROMOTERS: MR. NISHANT SINGHAL, MR. PRASHANT SINGHAL, MR. RAMESH CHAND SINGHAL AND MRS. SUNITA SINGHAL

ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED APRIL 5, 2025: NOTICE TO INVESTORS (THE “ADDENDUM”)

INITIAL PUBLIC OFFER OF UPTO 49,32,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF SHIVASHRIT FOODS LIMITED (“SFL” OR THE “COMPANY” OR THE “OFFEROR”) FOR CASH AT A PRICE OF ₹ |●|/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ |●|/- PER EQUITY SHARE (THE “OFFER PRICE”) AGGREGATING TO ₹ |●| LAKHS (“THE OFFER”) COMPRISING OF A FRESH ISSUE UPTO 43,16,000 EQUITY SHARES AGGREGATING TO ₹ |●|/- LAKHS (THE “FRESH ISSUE”) AND AN OFFER FOR SALE OF UPTO 6,16,000 EQUITY SHARES BY SELLING SHAREHOLDERS AGGREGATING TO ₹ |●|/- LAKHS (“OFFER FOR SALE”), OF WHICH 2,48,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ |●|/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ |●|/- PER EQUITY SHARE AGGREGATING TO ₹ |●| LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE OFFER (THE “MARKET MAKER RESERVATION PORTION”). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION i.e. NET OFFER OF 46,84,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT AN OFFER PRICE OF ₹ |●|/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ |●|/- PER EQUITY SHARE AGGREGATING TO ₹ |●| LAKHS IS HEREINAFTER REFERRED TO AS THE “NET OFFER”. THE OFFER AND THE NET OFFER WILL CONSTITUTE 27.00% AND 25.64%, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH.

Potential Bidders may note the following:

- The section titled “General - Definitions and Abbreviations” beginning on page 1 of Draft Red Herring Prospectus has been updated to amend the details mentioned in Definitions and Abbreviations section of this addendum. Please note that all other details will be carried out in the offer document.
- The section titled “Summary of the Draft Red Herring Prospectus” beginning on page 21 of Draft Red Herring Prospectus has been updated to amend the details mentioned in Summary of Offer Document section of this addendum. Please note that all other details will be carried out in the offer document.
- The section titled “Risk Factors” beginning on page 27 of Draft Red Herring Prospectus has been updated to amend the details mentioned in risk factors section of this addendum. Please note that all headers of the Risk Factors have been renumbered suitably and disclosed in the addendum.
- The section titled “General Information” beginning on page 59 of Draft Red Herring Prospectus has been updated to amend the details mentioned in General Information section of this addendum. Please note that all other details will be carried out in the offer document.
- The Chapter titled “Particulars of the Offer - Object of the Offer” beginning on page 85 of Draft Red Herring Prospectus has been updated to amend the details mentioned in Capital Structure section of this addendum. Please note that all other details will be carried out in the offer document.
- The Chapter titled “Basis of Offer price” beginning on page 107 of Draft Red Herring Prospectus has been updated to amend the details mentioned in Object of the Offer section of this addendum. Please note that all other details will be carried out in the offer document.
- The Chapter titled “Our Business” beginning on page 132 of Draft Red Herring Prospectus has been updated to amend the details mentioned in our business section of this addendum. Please note that all other details will be carried out in the offer document.
- The Chapter titled “Key Regulations and Policies” beginning on page 154 of Draft Red Herring Prospectus has been updated to amend the details mentioned in our business section of this addendum. Please note that all other details will be carried out in the offer document.
- The Chapter titled “History and Certain Corporate Matters” beginning on page 161 of Draft Red Herring Prospectus has been updated to amend the details mentioned in our business section of this addendum. Please note that all other details will be carried out in the offer document.
- The Chapter titled “Our Management” beginning on page 165 of Draft Red Herring Prospectus has been updated to amend the details mentioned in Our Management section of this addendum. Please note that all other details will be carried out in the offer document.
- The Chapter titled “Our Group Companies” beginning on page 184 of Draft Red Herring Prospectus has been updated to amend the details mentioned in Our Management section of this addendum. Please note that all other details will be carried out in the offer document.
- The Chapter titled “Government and Other Statutory Approvals” beginning on page 252 of Draft Red Herring Prospectus has been updated to amend the details mentioned in Our Promoters section of this addendum. Please note that all other details will be carried out in the offer document.
- The Chapter titled “Other Regulatory and Statutory Disclosures” beginning on page 257 of Draft Red Herring Prospectus has been updated to amend the details mentioned in other regulatory and statutory disclosures section of this addendum. Please note that all other details will be carried out in the offer document.
- The Chapter titled “Other Information - Material Contracts and Documents for Inspection” beginning on page 337 of Draft Red Herring Prospectus has been updated to amend the details mentioned in Material Contracts and Documents for Inspection section of this addendum. Please note that all other details will be carried out in the offer document.

The above changes are to be read in conjunction with the Draft Red Herring Prospectus and accordingly their references in the Draft Red Herring Prospectus stand updated pursuant to this Addendum. The information in this Addendum supplements the Draft Red Herring Prospectus and updates the information in the Draft Red Herring Prospectus, as applicable. Please note that the information included in the Draft Red Herring Prospectus will be suitably updated, including to the extent stated in this Addendum, as may be applicable in the Red Herring Prospectus and the Prospectus, as and when filed with the RoC, SEBI and the Stock Exchange.

For Shivashrit Foods Limited

On behalf of the Board of Directors

Sd/-

Bharti

Company Secretary and Compliance Officer

Date: July 15, 2025

Place: Aligarh

LEAD MANAGER TO THE OFFER		REGISTRAR TO THE OFFER	
MARK CORPORATE ADVISORS PRIVATE LIMITED		MAASHITLA SECURITIES PRIVATE LIMITED	
Address: 404/1, The Summit, Sant Janabai Road (Service Lane), Off W. E. Highway, Vile Parle (East), Mumbai-400 057		451, Krishna Apra Business Square, Netaji Subhash Place, Pitampura, North West, New Delhi, India, 110034.	
Tel No.: +91 22 2612 3207/08		Tel No.: +91 011-47581432	
Contact Person: Mr. Niraj Kothari		Contact Person: Mr. Mukul Agrawal	
Email: ID: smeipo@markcorporateadvisors.com		E-mail: investor.ipo@maashitla.com	
Investor Grievance Email ID: investorgrievance@markcorporateadvisors.com		Investor Grievance Email: investor.ipo@maashitla.com	
Website: www.markcorporateadvisors.com		Website: http://www.maashitla.com/	
SEBI Registration No.: INM000012128		SEBI Registration No.: INR000004370	
CIN: U67190MH2008PTC181996		CIN: U67100DL2010PTC208725	
BID/OFFER SCHEDULE			
ANCHOR INVESTOR BID/OFFER PERIOD*: [●]	BID/OFFER OPENS ON: [●]	BID/OFFER CLOSES ON: [●]	

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SECTION I- GENERAL

DEFINATIONS AND ABBREVIATIONS

Term	Description
KPI	Key financial and operational Performance Indicators of the Company for the years /period 2021-2022, 2022-2023, 2023-2024 and the nine-month period ending 31.12.2024.

Conventional and General Terms and Abbreviations

Term	Description
ITBA	Income Tax Business Application

SECTION II - SUMMARY OF THE DRAFT RED HERRING PROSPECTUS

L. SUMMARY OF RELATED PARTY TRANSACTIONS

We have entered into related party transactions with related parties. A summary of the related party transactions entered during the period disclosed below and their outstanding balances is detailed below:

(Rs. In Lakhs)

S.No	Particulars	Period ended December 31, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
(i)	Revenue	7677.5	7622.05	4535.09	3834.49
(ii)	Purchases, Job Work & Professional Charges (Paid)				
	Neomaxx Lights Private Limited	-	-	0.23	0.16
	% to Revenue	0	0	0.01%	0.00%
	Megha Enterprises	21.14	-	-	-
	% to Revenue	0.28%			
(iii)	Loan Taken				
	Mr. Prashant Singhal	661.80	578.00	493.25	242.50
	% to Revenue	8.62%	7.58%	10.88%	6.32%
	Mr. Nishant Singhal	202.00	-	447.79	497.26
	% to Revenue	2.63%		9.87%	12.97%
	Prashant Enterprises	68.92	-	-	-
	% to Revenue	0.90%			
	Mrs. Megha Singhal	-	14.00	18.00	-
	% to Revenue		0.18%	0.40%	
(iv)	Repayment of Loan taken				
	Mr. Prashant Singhal	661.80	877.31	403.26	214.74
	Mr. Nishant Singhal	202.00	84.89	542.10	470.05
	Prashant Enterprises	68.92	-	-	-
	Mrs. Megha Singhal	0.47	28.50	3.03	-
(v)	Loan and Advances given				
	Nishant cold storage	268.01	520.20	155.42	540.64
	% to Revenue	3.49%	6.82%	3.43%	14.10%
(vi)	Loans and Advances received back				
	Nishant cold storage	540.33	247.89	233.73	414.54
	% to Revenue	7.04%	3.25%	5.15%	10.81%
(vii)	Salary & Remuneration paid				
	Mr. Prashant Singhal	9.00	7.00	3.00	3.00
	% to Revenue	0.12%	0.09%	0.07%	0.08%
	Mr. Nishant Singhal	9.00	7.00	3.00	3.00
	% to Revenue	0.12%	0.09%	0.07%	0.08%

S.No	Particulars	Period ended December 31, 2024	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
	Mrs. Bharti	1.18	-	-	-
	% to Revenue	0.02%			
	Mr. R.K Jain	7.00	12.00	12.00	17.00
	% to Revenue	0.09%	0.16%	0.26%	0.44%
(viii)	Lease Rentals Paid				
	Mr. Prashant Singhal	0.09	0.12	0.12	0.12
	% to Revenue	0.00%	0.00%	0.00%	0.00%
	Mr. Nishant Singhal	0.09	0.12	0.12	0.12
	% to Revenue	0.00%	0.00%	0.00%	0.00%
	Mrs. Sunita Singhal	0.23	-	-	-
	% to Revenue	0.00%			
	Nishant Cold Storage	205.64	209.83	209.83	214.54
	% to Revenue	2.68%	2.75%	4.63%	5.60%

For details about our Related Party Transaction please refer section chapter titled “*Restated Financial Statements*” beginning on page no. [●] of this Red Herring Prospectus.

SECTION III – RISK FACTORS

[Note – Original serial Nos. of the Risk Factors as have been mentioned in the DRHP dated April 05, 2025, have been referred to as ‘Old RF- [serial No.] for the ease of reference]

1. ***Old RF-1: We derive a significant portion of our revenue from operations from domestic sales which exposes us to risks specific to Indian geographies and market***

Although, there have been no such instances wherein our financials were affected due to regional economic fluctuations, changes in domestic regulations and market conditions in India or our revenue has been stagnant or increase in our customer base obstructed because of our operations being limited to domestic market.

2. ***Old RF-2: Our Company derive revenue from its large customer base diversified customers. Our inability to acquire new customers or loss of all or a substantial portion to any of our major customers, for any reason and/or continued reduction of the business from them, could have a material adverse impact on our business, results of operations, cash flows and financial condition.***

Our Company derive revenues from its large customer base diversified customers.

However, there have been no past instances wherein we are unable to acquire new customers or we have faced loss of any or majority of our existing customers, subsequently causing a material adverse impact on our business, results of operations, cash flows and financial condition.

3. ***Old RF-3: Our Company is dependent on limited number of suppliers for supply of raw materials and we have not made any long-term supply arrangement or agreement with our suppliers. In an eventuality where our suppliers are unable to deliver us the required materials, at a competitive price, in a time-bound manner it may have a material adverse effect on our business operations and profitability. The majority of our raw materials are sourced from few key suppliers. Discontinuation of the operations of such suppliers may adversely affect our ability to source raw materials at a competitive price.***

However, we have never faced any such instances in the past causing significant disruption or delays in the sourcing of raw materials, which resulted in delays in our business activities of raw materials, due to estranged relations with our suppliers in absence of any long -standing agreements.

4. ***Old RF-4: Any increase in the cost of our raw material or a shortfall in the supply of our raw materials, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.***

While we have developed strong relationships with these farmers, third-party suppliers and traders potato suppliers and farmers, we have not entered into any formal supply contracts with such parties.

There has been no such instances in the past wherein the operations or financial conditions of the company have been adversely affected due to increase in price, shortfall in supply, seasonal factors or any other factor as is mentioned above.

5. ***The Company relies entirely on a single product i.e., potato flakes, for its revenue, making it highly vulnerable to market, supply, and regulatory risks. Any disruption in this product line could significantly impact its financial performance and business stability.***

The Company is currently dependent on a single product line, namely potato flakes, for its entire revenue. This lack of diversification poses a significant risk to the Company’s business and financial stability. Any negative developments affecting the production, supply, or demand for potato flakes, such as changes in consumer preferences, fluctuations in raw material availability or pricing, adverse weather conditions impacting potato crops, regulatory changes, or increased competition could materially and adversely affect the Company’s operations and profitability. Furthermore, the Company’s ability to respond to market shifts or economic downturns is limited due to its reliance on a single raw material.

6. ***Old RF-5: Inadequate storage conditions of raw materials may compromise product integrity and affect business operations and financial conditions.***

There have not been any past instances wherein the Company has rejected any batch of potatoes.

7. ***Old RF-6: Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our results of operations, cash flows and financial condition.***

Our Company's operations are subject to various risks and hazards inherent in the manufacturing business, which includes breakdown, work accidents, fire, earthquake, flood and other force majeure events, acts of terrorism and explosions that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage.

We have obtained insurance policies for fire, cold storage, burglary and plant and machinery. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies may not cover all risks, specifically risks such as machinery breakdown, key man insurance, group personal accident, mediclaim policy. Failure to effectively cover ourselves against the associated risks may potentially lead to material losses. There can be no assurance that our limited insurance policies will be adequate to cover the losses/ damages that we may suffer or that such insurance coverage will continue to be available on reasonable terms or insufficient amounts to cover large claims, or that the insurer will approve coverage for a future claim. If we suffer a loss or if insurance claim is not accepted or any insured loss significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. There has not been any instance in the past three years where the company incurred any loss for which it made an insurance claim.

8. ***Old RF-7: Our factories are subject to operating risks. Any shutdown of our existing factories or other production problems caused by unforeseen events may reduce sales and adversely affect our business, cash flows, results of operations and financial condition.***

9. ***Old RF-8: Our Company reported negative cash flow from its operating activity in financial year 2023. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.***

10. ***Old RF-9: There have been some instances of delay and discrepancies with respect to filing of certain forms with the Registrar of Companies in the past, which may be subject to regulatory actions and penalties.***

There has been certain instance of secretarial irregularities and discrepancies in our Company, such as delay in filings and incorrect attachments in the ROC forms. We set out below the table, which contains the dates and the year in which the Company has filed the forms with late fees:

Sr. No.	Form Name	Relevant FY	Due Date	Date of Payment	Period of Delay (in days)	Normal Fees	Additional Fees
1	INC-27	2024-2025	20/08/2024	18/09/2024	29	600	1200
2	CHG-1	2024-2025	19/04/2024	8/5/2024	19	600	3600
3	CHG-1	2023-2024	27/03/2024	30/03/2024	3	600	3600
4	CHG-1	2023-2024	21/06/2023	12/7/2023	21	600	3600
5	CHG-4	2022-2023	27/08/2022	16/01/2023	135	600	6000
6	CHG-1	2021-2022	1/12/2021	28/12/2021	27	600	3600
7	DPT-3	2019-2020	30/06/2019	7/7/2019	7	600	1200
8	PAS-3	2018-2019	4/11/2018	25/02/2019	112	600	6000
9	PAS-3	2018-2019	5/11/2018	25/02/2019	113	600	6000
10	PAS-3	2018-2019	6/9/2018	13/10/2018	37	600	2400

11	PAS-3	2018-2019	1/9/2018	9/10/2018	38	600	2400
12	AOC-4	2022-2023	29/10/2023	30/10/2023	1	600	100
13	AOC-4	2023-2024	29/10/2024	18/11/2024	20	600	2000
14	MGT-7	2023-2024	29/11/2024	17/12/2024	17	600	1800
15	ADT-1	2017-2018	Nov, 2017	21/11/2024	2206	600	7200
16	ADT-1	2024-2025	15/10/2024	30/10/2024	15	600	1200

The Company has made the following unintentional inaccurate filing of the statutory compliance forms, for which we have submitted a letter to RoC Kanpur.

- (i) Form Spice MOA submitted for Incorporation of the Company dated August 22, 2017 vide SRN G50168723 of Form INC-1

Incorrect Disclosure - *The Authorized Share Capital provided in the box for “Matters which are necessary for furtherance of the objects specified in clause 3(a)” has been inadvertently mentioned as Rs. 50,00,000/- (Rupees Fifty Lac Only) divided into 50,000 (Fifty Thousand) Equity Shares, instead of Rs. 10,00,000/- (Rupees Ten Lac Only) divided into 100,000 (One Lakh) Equity Shares.*

Though the share capital has rightly been stated as 10,00,000/- (Rupees Ten Lac Only) divided into 100,000 (One Lakh) Equity Shares in Clause 5 of the Form.

- (ii) Forms PAS-3 for allotments made on August 2, 2018; 3rd August, 2018; 7th August, 2018; 29th August, 2018; 7th September, 2018; and 10th September, 2018 vide SRN H20114732, H20486551, H20492070, H20487401, H20490587 and H20491080.

Incorrect Attachments – *The company made Rights Issue on the following dates: –*

Date of filing PAS - 3	Date of Allotment	Number of Shares
October 10, 2018	September 10, 2018	2,10,000
October 10, 2018	September 07, 2018	1,60,000
October 10, 2018	August 03, 2018	2,50,000
October 10, 2018	August 07, 2018	11,00,000
October 10, 2018	August 29, 2018	1,00,000
October 9, 2018	August 02, 2018	3,10,000

In the e-Form PAS-3 allotment’s forms, along with the Letter of offers and Board Resolution, an attachment of Form PAS-5 have been uploaded wrongly. The Form PAS-5 has been additionally placed due to ignorance and misinterpretation of the provisions of Companies Act, 2013. Your office is requested to ignore the PAS-5 attachment.

iii. There is a discrepancy in form MGT-7, in as much as, the Company has mentioned the subscribed capital of ₹2,00,000 in the row of Placement/Preferential allotment. There was no Placement/Preferential allotment at the time of filing the form. While the Company has informed the ROC of this discrepancy, we cannot assure you that the ROC will not levy a penalty on, or send a warning letter to, the Company.

~~We now await a reply from the respective ROC, with respect to further actionables in this regard.~~

While the Company has not received any show cause notice or penalty or demand notice or warning letter from the ROC, the Company will ensure that if it does receive such notice or letter in future, it will pay the required demand and penalty.

The company has filed Form GNL-1 on July 14, 2025 with the Registrar of Companies, Kanpur for adjudication of penalties for the inadvertent errors in the above-mentioned forms. (SRN – AB5406443)

11. **Old RF-10: Shortage or unavailability of electricity and fuel could affect our manufacturing operations and may have an adverse effect on our business, results of operations and financial condition.**
12. **Old RF-11: We are dependent on third party transportation and logistics service providers. Any increase in the charges of these entities could adversely affect our business, results of operations and financial condition.**
13. **Old RF-12: Our business is working capital intensive. If we experience insufficient cash flows or are unable to access suitable financing to meet working capital requirements and loan repayment obligations, our business, financial condition and results of operations could be adversely affected.**

Our business requires a significant amount of working capital which is based on certain assumptions, and accordingly, any change in such assumptions will result in changes to our working capital requirements. Working capital is required for mobilization of resources like labour and raw materials.

Our working capital requirements may increase in the future on account of expansion project, undertaking larger orders, expanding our customer base, and also in cases where the agreed upon payment terms do not include advance payments, or if the contract's payment schedule calls for payment towards the end of the project. The details of utilization of net proceeds for working capital purpose is as under:

As on the nine month period till December 31, 2024, and for financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, our working capital gap, i.e., difference between total current assets and total current liabilities, were ₹ 4,630.14 lakhs, ₹ 3,336.26 lakhs, ₹ 2,314.50 lakhs and ₹ 1,719.54 lakhs, respectively. We finance our working capital requirements through a variety of sources viz., equity capital (including accumulated reserves), cash credit facilities, working capital demand loans, letter of credit, bank guarantees and other fund based and non-fund based facilities.

Further, we cannot assure you that market conditions will allow us to access working capital facilities on terms which are acceptable to us, of sufficient limits, or at all. As of December 31, 2024, and March 31, 2024, our short term borrowings (including borrowings from banks) amounted to ₹ 2,624.52 lakhs and ₹ 2,183.88 lakhs, respectively. Our ability to arrange for financing and our cost of borrowing depend on several factors, including general economic and market conditions, credit availability from financial institutions, the amount and terms of our existing indebtedness, investor confidence, and the continued success of current projects. In addition, our ability to raise funds is limited by certain restrictions imposed under applicable laws, including foreign exchange regulations. We strive to maintain strong relationships with banks and financial institutions. However, we cannot assure you that our relationships with lenders will not change.

Particulars	(Rs. In Lacs)						
	2021-22	2022-23	2023-24	31.12.2024	2024-25	2025-26	2026 - 27
	Restated				Provisional	Estimated	
Current assets							
Inventories	1,649.53	2,431.90	3,427.49	3,786.05	5,219.74	4,858.97	10,899.92
Raw Material for New Plant Purchased in Season to avail benefit of cheap prices#						2,300.00	
Trade Receivables	122.94	268.89	553.71	790.45	814.02	912.26	2,126.94

Particulars	2021-22	2022-23	2023-24	31.12.2024	2024-25	2025-26	2026 - 27
		Restated			Provisional	Estimated	
Short Term Loans & Advances	474.69	783.09	1,396.58	1,171.86	1,108.65	1,189.20	1,800.00
Other Current Assets	174.95	165.91	273.95	267.83	356.43	398.24	644.03
Total Current Assets (I)	2,422.11	3,649.79	5,651.74	6,016.19	7,498.85	9,658.68	15,470.89
Current Liabilities (II.)							
Trade Payables	634.14	1,288.27	1,661.61	943.71	1,893.70	1,931.57	4,481.58
Short Term Provisions	31.10	36.10	249.91	221.98	220.61	226.54	301.22
Other Current Liabilities	53.32	117.79	443.71	246.62	700.53	707.83	1,479.84
Total Current Liabilities (II.)	718.56	1,442.17	2,355.23	1412.31	2,814.84	2,865.94	6,262.64
Total WC Gap (III)=[(I)-(II)]	1,703.55	2,207.62	3,296.51	4,603.88	4,684.01	6,792.74	9,208.25
Working Capital	1,703.55	2,207.62	3,296.51	4,603.88	4,684.01	6,792.74	9,208.25
Funded from Short Term Borrowings (Including Adhoc Limit of Rs. 800 Lakhs for seasonal purchase)	574.39	979.96	2,454.81	2,917.13	3,300.00	3,300.00	4,800.00
IPO Fund for WC	-	-	-	-	-	1,000.00	1,900.00
Internal accrual (Reserves, USL from Directors, Ploughing back of Profit)	1,129.16	1,227.66	841.70	1,686.75	1,384.01	2492.74	2,508.25

We finance our working capital requirements through a variety of sources viz., equity capital (including accumulated reserves), cash credit facilities, working capital demand loans, letter of credit, bank guarantees and other fund based and non-fund based facilities. Our ability to arrange for financing and our cost of borrowing depend on several factors, including general economic and market conditions, credit availability from financial institutions, the amount and terms of our existing indebtedness, investor confidence, and the continued success of current projects. In addition, our ability to raise funds is limited by certain restrictions imposed under applicable laws, including foreign exchange regulations. We strive to maintain strong relationships with banks and financial institutions. However, we cannot assure you

that our relationships with lenders will not change.

14. ***Old RF-33: Stringent food safety, consumer goods, health and safety laws and regulations may result in increased liabilities and increased capital expenditures.***

There have been no past instances during the last three financial years wherein the Company has been subjected to liabilities for any fault in respect of non-compliance with the food safety, consumer goods, health and safety laws and regulations.

15. ***Old RF-14: We have incurred indebtedness, and our inability to obtain further financing or meet our obligations, under our financing arrangements could adversely affect our business, results of operations, financial condition and cash flows.***
16. ***Old RF-11(Typo Error): Our individual Promoters, namely, Mr. Nishant Singhal, Mr. Prashant Singhal, Mrs. Sunita Singhal and Mr. Ramesh Chand Singhal, have provided personal guarantees for loan facilities obtained by our Company. In the event that any of such facilities are revoked, the lenders for such facilities may require alternate securities, guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities, which could adversely affect our business, financial condition, results of operations and cash flows.***

~~RF-15: Delay in Stamping of the Lease Deed for the new manufacturing unit~~

~~Our Company proposes to expand its manufacturing capabilities by establishing a new factory building adjacent to our existing facility. The proposed expansion will be situated on a 3651 square meter plot at Khasra No-634 MI, Village Mahua, Paragana Gorai & Tehsil Iglas, Aligarh, Uttar Pradesh. We have entered into a long term lease agreement of 29 years executed on November 01, 2024 with members of our Promoter/Promoter Group—Sunita Singhal, Ramesh Chand Singhal, Pooja Singhal and Nishant Singhal on arm's length basis. There has been a delay in stamping of the said lease deed.~~

17. ***Old RF-16: Some of our loan agreements contain restrictive covenants which may adversely affect our business results of operations and financial condition.***
18. ***Old RF-17: Our Company have certain contingent liabilities and commitments, which, if they materialize, may adversely affect our results of operations, financial condition and cash flows.***
19. ***Old RF-18: Information relating to our production capacities and the historical capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates and future production and capacity utilization may vary.***
20. ***Old RF-19: The company plans to establish an additional manufacturing unit which requires approvals and licenses that have not yet been obtained, which could impact our business, financial condition and results of operations.***
21. ***Old RF-20: Our proposed capacity expansion plans relating to our manufacturing facility are subject to the risk of unanticipated delays in implementation and cost overruns.:***
22. ***Old RF-13: Our inability to manage our growth may disrupt our business and reduce our profitability.***
23. ***Old RF-21: If we are unable to recruit and retain senior management, qualified and skilled personnel, our business and our ability to operate or grow our business may be adversely affected***
24. ***Old RF-22: We are significantly dependent on both skilled and unskilled labour for our Manufacturing Facility. Any disruption to the supply of such labour, or our inability to control the composition and cost of our contract labour, could adversely affect our business, results of operations, financial condition and cash flows.***

Our operations are reliant on both workers directly employed by us and contract labour, particularly at our project-site manufacturing facility.

25. ***Old RF-23: Our inability to collect receivables and defaults in payment from our clients could result in the reduction of our profits and affect our cash flows.***
26. ***Old RF-24: We have entered into related party transactions and may continue to enter into related party transactions, which may involve conflicts of interest, including with certain of our Promoters, Directors and key management personnel.***
27. ***Old RF-25: Our Promoters and Key Management Personnel may be interested in our Company, other than to the extent of reimbursement of expenses incurred or normal remuneration or benefits.***
28. ***Old RF-26: Our registered office and our manufacturing premises are not owned by us.***
29. ***Old RF-27: We may undertake acquisitions, investments, joint ventures or other strategic alliances, which may have an adverse effect on our ability to manage our business, and such undertakings may be unsuccessful.***
30. ***Old RF-28: We have applied for registration of trademarks including our company name, and there can be no assurance that we will be able to successfully register the trademark, or that it will not be infringed upon.***

There have been no instances where the Company's trademark has been objected.

However, the copyrights applied for by our Company, namely (a) our company word logo —Shivashrit; (b) our company brand product logo —ShivaShrit Shri Aahar; (c) our company brand product logo —ShivaShrit Shri Aahar (In Hindi) and (d) our company brand product logo – Flaker's have been objected by the Registrar of Trademarks. We have filed our response to the objections with the Registrar of Trademarks and the matter is currently pending before the said authority.

31. ***Old RF-29: Industry information included in this Draft Red Herring Prospectus has not been derived from any commissioned or paid agency.***
32. ***Old RF-30: Failure to effectively manage our future growth and expansion may have a material adverse effect on our business prospectus and future financial performance.***
33. ***Old RF-31: If we fail to maintain and enhance our brand and reputation, consumers' recognition of our brands, and trust in us, and our products, our business may be materially and adversely affected***
34. ***Old RF-32: Any disruption in the supply chain could have an adverse impact on our business, financial condition, cash flows and results of operations.***

There have been no past instances during the last three financial years wherein the Company's business, financial condition, cash flows and results of operations have been adversely impacted due to disruption in the supply chain.

35. ***Old RF-34: Any inability to accurately manage inventory and forecast demand for our products in specific markets may have an adverse effect on our business, results of operations and financial condition.***
36. ***Old RF-35: Our revenues are subject to a significant number of tax regimes and changes in legislation governing the rules implementing them could adversely affect our results of operation***
37. ***Old RF-36: Some of our Directors do not have experience of being a director of a public listed company***
38. ***Over the past three financial years, the Company has maintained relatively high levels of inventory across various product categories. While this strategy has supported uninterrupted supply and responsiveness to customer demand, it also introduces several financial and operational risks that may adversely affect the Company's performance.***

Over the past three financial years, the Company has consistently maintained elevated inventory levels, which, while ensuring product availability and responsiveness to customer demand, also pose significant risks. High inventory can lead to deterioration in the quality of the stored potatoes, particularly in fast-evolving markets where consumer preferences and technologies shift rapidly. This may result in the need for inventory write-downs, adversely affecting profitability. Additionally, substantial capital is tied up in unsold stock, potentially constraining liquidity and limiting the Company's ability to invest in growth opportunities or respond to market changes. The associated storage, insurance, and handling costs further pressure operating margins. Looking ahead, if demand forecasts are inaccurate, the Company may either face excess inventory requiring markdowns or stockouts that could lead to lost sales. Moreover, ongoing macroeconomic uncertainties and supply chain disruptions could amplify these risks. While the Company is implementing improved inventory management systems and demand planning tools, there is no assurance that these measures will fully mitigate the financial and operational impacts of high inventory levels in the future.

39. ***The import of plant and machinery exposes the Company to regulatory, logistical, and foreign exchange risks, which may lead to delays, increased costs, or disruptions in project execution. Dependence on overseas vendors and the need for foreign technical personnel further heighten these risks, potentially impacting operational timelines and financial performance.***

Our Company proposes to import the plant and machinery for the expansion project from overseas suppliers from Netherlands. The importation of such capital goods is subject to various regulatory approvals and compliance requirements under applicable laws, including but not limited to customs regulations, the Foreign Trade Policy, and environmental and safety standards. Any changes in the regulatory framework, imposition of new tariffs, or restrictions on the import of specific machinery or from certain countries may adversely affect our procurement plans, leading to increased costs or delays in project execution.

Further, the procurement of machinery from foreign vendors exposes us to foreign exchange fluctuation risks, as payments are typically denominated in foreign currencies. Any adverse movement in exchange rates could result in a significant increase in the cost of imported equipment, thereby impacting our capital expenditure and financial projections. Additionally, global supply chain disruptions, port congestion, shipping delays, or geopolitical developments such as trade restrictions or sanctions may hinder the timely delivery of machinery, potentially causing cost overruns and delays in the commencement of commercial operations.

Our reliance on overseas vendors also entails risks related to their technical performance, financial stability, and adherence to contractual obligations. Any failure on the part of such vendors to deliver machinery as per agreed specifications or timelines, or any insolvency or breach of contract, may materially impact our project schedule and operational readiness. Moreover, the installation and commissioning of imported machinery often require the presence of foreign technical personnel. Delays in obtaining necessary visas, work permits, or other regulatory clearances for such personnel may further impede the timely operationalization of the equipment.

Any of the aforementioned risks, whether individually or in combination, could have a material adverse effect on our business operations, financial condition, and results of operations.

40. ***Delays or failures in obtaining or renewing regulatory approvals can disrupt our operations, lead to penalties, and increase compliance costs, potentially harming our business and financial performance.***

Our business and manufacturing operations depend on obtaining and maintaining various statutory and regulatory licenses, approvals, registrations, and permits from government and regulatory authorities. If we are unable to obtain these approvals on time, or fail to renew them when required, our operations may be disrupted. This could lead to penalties, legal action, or even suspension of our business activities.

In addition, if there are changes in laws, regulations, or how they are interpreted, we may need to apply for new approvals or make changes to our operations. This could increase our compliance costs and

expose us to additional risks. Any such delays or failures could have a material adverse effect on our business, financial condition, and results of operations.

41. ***We operate in a highly competitive and fast-changing market, where evolving customer preferences, and new entrants pose constant challenges. Competitors with greater resources may outpace us, leading to pricing pressures, reduced margins, and potential loss of market share, which could adversely affect our growth and financial performance.***

We operate in a highly competitive and rapidly evolving market environment, where numerous players—both established and emerging—vie for customer attention and market share. This competitive intensity is expected to increase further due to the continual entry of new participants, the emergence of disruptive business models, and the growing influence of digital platforms. These dynamics create significant pressure on all market participants to innovate, differentiate, and deliver superior value to customers.

Customer preferences are also evolving at an accelerated pace, influenced by technological advancements, shifting demographics, and changing expectations around convenience, personalization, and sustainability. If we are unable to anticipate or respond effectively to these changes, we risk losing relevance in the eyes of our customers, which could lead to reduced engagement, lower retention rates, and ultimately, a decline in revenue.

In addition, changes in regulatory frameworks—whether related to data privacy, environmental standards, labor laws, or industry specific compliance—can significantly alter the competitive landscape. Competitors with more robust legal, compliance, and risk management infrastructures may be better positioned to navigate these changes, giving them a strategic advantage. Some of our competitors may also possess superior financial, technical, or operational resources, enabling them to invest more aggressively in areas such as research and development, marketing, customer acquisition, and talent retention. These advantages can enhance their ability to respond swiftly to market shifts, scale operations efficiently, and capture greater market share.

As a result of these factors, we may face increased pricing pressures, which could erode our margins and profitability. We may also experience customer attrition and a reduction in market share if competitors are able to offer more compelling value propositions. These challenges could place strain on our operational capabilities and adversely impact our financial performance, growth trajectory, and long-term sustainability.

While we are committed to continuously monitoring the competitive landscape and adapting our strategies accordingly, there can be no assurance that our efforts will be sufficient to maintain or strengthen our market position in the face of these evolving risks.

42. ***The company's operations are heavily concentrated in Aligarh, Uttar Pradesh, making it vulnerable to local risks, and its limited geographic reach may hinder future growth and increase business risk.***

As of the date of this Draft Red Herring Prospectus, our business operations are geographically concentrated in Aligarh, Uttar Pradesh. This limited geographic presence makes us highly susceptible to local economic conditions, regulatory changes, infrastructure issues, labor market dynamics, and socio-political developments specific to this region. Any adverse developments in or affecting Aligarh, such as natural disasters, political unrest, changes in local government policies, or economic downturns, could materially and adversely impact our operations and financial performance.

Furthermore, our ability to expand into other regions may be constrained by factors such as competition, regulatory requirements, and availability of resources. There can be no assurance that we will be able to successfully diversify our geographic footprint in the future, and continued dependence on a single location may limit our growth prospects and increase our business risk.

43. ***The company is subject to strict quality and regulatory standards, and any failure to comply could lead to reputational damage, legal issues, and operational disruptions, adversely affecting its business and financial performance.***

Our business operations are subject to stringent quality standards and regulatory requirements. Any failure to adhere to these standards, whether due to human error, process lapses, or inadequate quality control mechanisms, could result in the production of substandard goods. This may lead to customer dissatisfaction, increased product returns, reputational damage, regulatory scrutiny, and potential legal liabilities.

Further, any significant deviation from prescribed quality norms may result in the suspension or revocation of certifications or licenses, which could adversely affect our ability to operate in certain markets or serve specific clients. While we have implemented quality assurance systems and conduct regular audits, there can be no assurance that such measures will be sufficient to prevent quality failures in the future. Any such event could materially and adversely affect our business, financial condition, results of operations, and prospects.

44. ***The company is subject to evolving FSSAI regulations, including stricter inspections, enhanced labeling norms, and sustainability-focused packaging rules, non-compliance with which could lead to penalties, license suspension, or reputational harm.***

Our business operations are subject to extensive regulation by the Food Safety and Standards Authority of India (FSSAI), which governs various aspects of food safety, hygiene, labeling, packaging, and distribution. Any changes in the regulatory framework, including amendments to the Food Safety and Standards Act, 2006, or the introduction of new guidelines, may significantly impact our operations. In recent years, FSSAI has implemented several regulatory updates, such as enhanced labeling requirements mandating clearer disclosures on nutritional content, allergens, and front-of-pack labeling for high fat, sugar, and salt (HFSS) foods. Additionally, there has been a shift toward stricter licensing norms and more frequent inspections, particularly for high-risk food categories, which may increase our compliance burden.

Further, FSSAI has introduced sustainability-focused packaging regulations that require the use of recyclable and eco-friendly materials. Compliance with these norms may necessitate changes in our packaging processes and result in increased costs. Moreover, during large-scale public events, such as religious gatherings or festivals, FSSAI has enforced temporary but stringent food safety protocols, including mobile food testing and mandatory certification for food handlers. These requirements, while temporary, can impose additional operational and logistical challenges. Failure to comply with any of these evolving regulations could result in penalties, suspension or cancellation of licenses, product recalls, or reputational damage. While we endeavour to remain fully compliant with all applicable laws and regulations, there can be no assurance that future regulatory changes will not have a material adverse effect on our business, financial condition, or results of operations.

45. ***The company faces significant and ongoing compliance obligations under Indian and international food safety and consumer protection laws, and any failure or increased regulatory burden could lead to penalties, higher costs, or operational disruptions.***

Our business is subject to extensive and evolving regulations relating to food safety, consumer goods standards, and health and safety laws, both in India and in international markets where we operate. These regulations include, but are not limited to, the Food Safety and Standards Act, 2006, and rules framed thereunder, as well as various environmental, occupational health, and consumer protection laws.

Compliance with these laws requires significant ongoing expenditures, including investments in infrastructure, training, testing, and certification. Any failure to comply, or even perceived non-compliance, could result in regulatory actions, including fines, penalties, product recalls, or suspension of operations. Moreover, changes in the regulatory landscape—such as the introduction of more stringent safety standards or increased frequency of inspections—may lead to increased operational costs and liabilities. There can be no assurance that we will be able to comply with all applicable regulations at all times or that the costs of compliance will not adversely affect our business, financial condition, or results of operations.

46. ***Exposure to Existing and Potential Future Indebtedness May Adversely Impact Our Financial Health and Operational Flexibility.***

The Company has existing indebtedness incurred in connection with its current operations, and it may incur additional debt in the future as part of its routine business activities or to fund expansion plans, capital expenditures, or other strategic initiatives. While such borrowings may be necessary to support growth, they could significantly increase the Company's overall leverage and financial obligations. Higher levels of indebtedness may adversely affect the Company's ability to meet its existing debt service requirements and could limit its operational and financial flexibility. Furthermore, any additional borrowings may be subject to restrictive covenants, which could constrain the Company's ability to raise further capital, declare dividends, or pursue new business opportunities. The Company's ability to service its debt will depend on its future operating performance and cash flows, which are subject to various risks and uncertainties, including those arising from changes in market conditions, interest rates, and the regulatory environment. A failure to meet debt obligations or comply with covenants could result in default, acceleration of repayment obligations, or enforcement of security interests, any of which could materially and adversely affect the Company's business, financial condition, and results of operations. Additionally, any perceived increase in financial risk may negatively impact the Company's credit profile and investor confidence. There can be no assurance that the Company will be able to manage its existing and future indebtedness effectively.

47. **Losses due to fraud, employee negligence, theft or similar incidents may have an adverse impact on the company.**

Our Company is exposed to various operational risks, including those arising from fraud, employee negligence, theft, and other forms of misconduct. Despite the implementation of internal control systems and compliance protocols, there can be no assurance that such measures will be sufficient to prevent or detect all instances of fraud or misconduct. Incidents involving misappropriation of assets, unauthorized transactions, or failure to comply with internal policies may result in financial losses, legal liabilities, and reputational damage.

We have not faced any such instances of fraud or misconduct leading to losses in the past. Furthermore, any systemic failure or lapse in our internal processes, whether due to human error or technological shortcomings, could disrupt our operations and adversely affect our financial performance. If we are unable to effectively manage these risks, it could materially and adversely impact our business, results of operations, and prospects.

48. **The Company entered the B2C segment in December 2024, which exposes it to new market dynamics, consumer behavior uncertainties, and increased competition. There is no assurance that this venture will be successful or yield expected returns, and it may involve significant operational and regulatory challenges.**

In December 2024, the Company expanded its operations into the Business-to-Consumer ("B2C") segment. While this strategic move is intended to diversify revenue streams and enhance market presence, it also introduces new risks and uncertainties that could materially affect the Company's business, financial condition, and results of operations. The B2C segment is highly competitive and rapidly evolving, with consumer preferences, purchasing behaviour, and market trends subject to frequent change. The Company may face challenges in understanding and responding to these dynamics effectively. Additionally, the Company may lack prior experience in direct consumer engagement, brand positioning, and customer service at scale, which could impact its ability to attract and retain customers.

There is also a risk that the Company may not achieve the expected return on investment in the B2C segment within anticipated timelines. Significant resources have been and may continue to be allocated to marketing, technology infrastructure, logistics, and customer support. If the B2C operations do not perform as expected, these investments may not yield the desired financial outcomes. Furthermore, the Company may be exposed to increased regulatory scrutiny, data privacy obligations, and consumer protection laws, which differ from those applicable in its traditional business segments. Non-compliance with such regulations could result in legal liabilities, reputational harm, and financial penalties. Accordingly, there can be no assurance that the Company's entry into the B2C segment will be successful or that it will not adversely affect the Company's overall performance.

49. **The Company operates in a capital-intensive industry, requiring substantial ongoing investments in infrastructure and equipment. These high costs may strain financial resources, and delays or cost overruns could adversely affect profitability and growth.**

The Company operates in an industry that requires significant capital investment for the development, maintenance, and expansion of its operations. These capital expenditures may include, but are not limited to, the acquisition of equipment, construction of facilities, technology upgrades, and compliance with regulatory standards. High capital requirements can impact the Company's financial flexibility and may require the Company to secure additional financing through debt or equity. There is no assurance that such financing will be available on favourable terms, or at all. If the Company is unable to obtain sufficient funding, it may delay or cancel planned projects, which could adversely affect its growth prospects and competitive position. Additionally, large-scale investments are often subject to cost overruns, delays, and unforeseen technical or regulatory challenges. These risks may lead to increased expenses or reduced returns on investment, which could negatively impact the Company's profitability and financial condition.

50. **Our business relies heavily on potatoes, which are seasonal in nature. Any adverse weather, poor harvest, or supply chain issues can affect the availability and cost of raw materials, potentially disrupting our operations and profitability.**

Our business is significantly dependent on the availability of potatoes, which are the primary raw material used in the production of potato flakes. The supply of potatoes is inherently seasonal and is influenced by various factors including climatic conditions, agricultural practices, and government policies. Potatoes are typically harvested during specific periods of the year. As a result, we are required to procure and store large quantities of raw potatoes during the harvest season to ensure uninterrupted production throughout the year. Any adverse weather conditions such as unseasonal rains, droughts, floods, or pest infestations may negatively impact crop yield and quality, thereby affecting the availability and cost of raw materials. Further, fluctuations in market prices due to supply-demand imbalances, changes in minimum support prices, or restrictions on procurement and transportation may also adversely affect our operations and profitability. In the event of a poor harvest or supply chain disruptions, we may face challenges in sourcing adequate quantities of quality potatoes at reasonable prices, which could lead to increased production costs or reduced capacity utilization. While we endeavour to mitigate these risks through strategic sourcing, long-term supplier relationships, and inventory management, there can be no assurance that such measures will be sufficient to offset the impact of seasonal and external factors on raw material availability.

51. **Changes in consumer preferences, such as a shift toward healthier or alternative food options, may reduce demand for potato flakes. If we fail to adapt to these evolving trends, our sales, market share, and overall business performance could be negatively impacted.**

Consumer preferences in the food industry are subject to rapid and unpredictable changes due to evolving health trends, dietary habits, lifestyle choices, and cultural influences. Our business, which primarily involves the production and sale of potato flakes, may be adversely affected if there is a shift in consumer demand away from processed or carbohydrate-rich foods, including potato based products. Increased awareness of health and wellness, preference for fresh or organic alternatives, or the emergence of substitute products may reduce the demand for our offerings. Additionally, changes in culinary trends or consumer perceptions regarding the nutritional value or environmental impact of potato products could negatively impact our sales and market share. If we are unable to anticipate, respond to, or adapt our product offerings in line with changing consumer preferences, our business operations, financial condition, and results of operations could be materially and adversely affected.

52. **The project's implementation schedule may face delays due to its reliance on timely receipt of funds. Any postponement in funding—whether from internal or external sources—can impact project timelines, costs, and deliverables. Despite best efforts, such delays may be beyond the control of the Company.**

The proposed schedule for the implementation of the project is subject to various external and internal factors, one of the most critical being the timely receipt of required funds. The availability of funds is

contingent upon several variables, including but not limited to, approvals from financial institutions, disbursement timelines from investors or grant providers, internal cash flow management, and compliance with regulatory or contractual conditions tied to funding. Any delay in the receipt of these funds whether due to administrative processes, unforeseen financial constraints, changes in funding terms, or delays in obtaining funds from banks or through the proposed IPO, may directly impact the commencement, progress, or completion of the project. Such delays could lead to a cascading effect on project milestones, cost escalations, resource allocation, and overall deliverables. While all reasonable efforts will be made to secure and manage funding in a timely manner, there can be no assurance that such funds will be received as planned. Consequently, stakeholders should be aware that the implementation schedule is inherently subject to change, and delays may occur despite best efforts to adhere to the original timeline.

53. **Our Company may receive a capital subsidy as per the Uttar Pradesh Food Processing Industry Policy 2023. In the event such subsidy does not materialize or the state government does not approve the entire subsidy amount or if there are any adverse changes in the availability of the subsidy, it may increase our cost of investment, and may have an adverse impact on our financial condition.**

Our Company is eligible to receive a capital subsidy under the Uttar Pradesh Food Processing Industry Policy, 2023 (“Policy”) of up to 25% of the amount, subject to a maximum of ₹ 1 crore for expansion, modernization or upgradation, of an existing unit. The Company proposes to utilize the benefits for the expansion project. In the event the Company does not receive the capital subsidy it will increase our estimated costs of investments and may have an adverse impact on our financial condition.

54. **Any non-compliance or delays in GST Return Filings and EPF Payments may expose us to penalties from the regulators.**

As a Company, we are required to file GST returns and make payments in respect of Employee Provident Fund with the respectively authorities. However, there are certain inadvertent delays in relation to filing of GST returns and EPF payments in the past for which the Company have paid the penalties and taken the steps to improve the internal system for payment of GST to mitigate the technical difficulties. However, we cannot assure that we will not be subject to any legal proceeding or regulatory actions, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in our GST filling or EPF payment in future, which may adversely affect our business, financial condition, and reputation. We set out below the details of delay in the fillings of GST and EPF:

GSTIN of the Taxpayer	Financial Year	Return Month	Return Type	Due Date	Filing date	Delayed number of days
09AAZCS1229D1Z2	2023-2024	May	GSTR 1	11/06/2002	12/06/2023	1
09AAZCS1229D1Z2	2021-2022	April	GSTR 3B	20/05/2021	24/06/2021	4
09AAZCS1229D1Z2	2021-2022	May	GSTR 3B	20/06/2021	28/07/2021	38
09AAZCS1229D1Z2	2021-2022	June	GSTR 3B	20/07/2021	09/08/2021	20
09AAZCS1229D1Z2	2021-2022	July	GSTR 3B	20/08/2021	25/08/2021	5
09AAZCS1229D1Z2	2021-2022	August	GSTR 3B	20/09/2021	21/09/2021	1
09AAZCS1229D1Z2	2021-2022	October	GSTR 3B	20/11/2021	30/11/2021	10
09AAZCS1229D1Z2	2021-2022	March	GSTR 3B	20/04/2022	27/04/2022	7
09AAZCS1229D1Z2	2022-2023	April	GSTR 3B	20/05/2022	26/05/2022	6
09AAZCS1229D1Z2	2022-2023	March	GSTR 3B	20/04/2023	28/04/2023	8
09AAZCS1229D1Z2	2023-2024	April	GSTR 3B	20/05/2023	22/05/2023	2

For EPF:

Date of filing	Amount	Period of Wage
01-FEB-2025	46,694	DEC-24
01-FEB-2025	52,535	NOV-24

55. **We have not provided any peer comparison since there are no listed peers in India or globally in the identical line of business.**

There are no listed companies in India or at the global level that are engaged in a business identical to that of our Company in terms of nature, size, business model, or product offerings. Consequently, we have not provided a comparison of our key performance indicators with industry peers. Absence of comparable listed peers may affect investors' ability to assess our financial and operational performance with market benchmarks. In the absence of such comparison, investors may find it challenging to evaluate our competitive position, growth potential, or valuation.

56. **We have entered into related party transaction with our promoters, which is not at an arm's length basis. We will continue to enter related party transactions which may involve conflicts of interest.**

The Company has entered into an agreement with Nishant Cold Storage, a partnership firm of our promoters. The agreement is a lease agreement dated February 01, 2019, pursuant to which the Company avails cold storage space for storing its raw material i.e., potatoes. The lease rent for the cold storage is at a price which is below the standard market price and it cannot be said to be on arm's length basis. All our other related party transactions have been conducted on an arm's length basis. However, we cannot assure you that we will continue to enter into transactions on an arm's length basis or on terms more favorable with our related parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. Our business and growth prospects may also decline if we cannot benefit from our relationships with them in the future. For further details, see "Summary of the Draft Red Herring Prospectus - Summary of Related Party Transactions" and "Restated Financial Information" on page 21 and 187 of this Draft Red Herring Prospectus.

57. ***Old RF-53: Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds.***

~~RF 54: In the event that our Net Proceeds to be utilised towards inorganic growth initiatives are insufficient for the cost of our proposed inorganic acquisition, we may have to seek alternative forms of funding.~~

~~We propose to utilize the Net Proceeds towards inorganic growth initiatives, as set forth in the "Objects of the Offer" beginning on page 22. We will from time to time continue to seek attractive inorganic opportunities that will fit well with our strategic business objectives and growth strategies, and the amount of Net Proceeds to be used for acquisitions will be based on our management's decision. The amounts deployed towards such initiatives may not be the total value or cost of such acquisitions or investments, resulting in a shortfall in raising requisite capital from the Net Proceeds towards such acquisitions or investments. Consequently, we may be required to explore a range of options to raise requisite capital, including utilising our internal accruals and/or seeking debt, including from third party lenders or institutions.~~

58. ***Old RF-55: We cannot assure payment of dividends on the Equity Shares in the future.***

59. ***Old RF-56: Our Equity Shares have never been publicly traded, and after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the Offer Price may not be indicative of the market price of the Equity Shares after the Offer.***

60. ***Old RF-57: The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

61. ***Old RF-58: Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend on the Equity Shares.***

- ~~RF-59: QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Offer Closing Date.~~
62. ~~Old RF-60: There is no guarantee that our Equity Shares will be listed on the BSE-SME Emerge platform of NSE in a timely manner or at all.~~

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer.

In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the BSE-SME the EmERGE platform of NSE within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

63. ~~Old RF-61: The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.~~

~~RF-62: Investors may have difficulty enforcing foreign judgments against our Company or our management.~~

64. ~~Old RF-63: The requirements of being a listed company may strain our resources.~~
65. ~~Old RF-64: Holders 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.~~
66. ~~Old RF-65: Any future issuance of Equity Shares or convertible securities or other equity linked securities by our Company may dilute your shareholding and sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.~~
67. ~~Old RF-66: A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.~~
68. ~~Old RF-67: Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.~~
69. ~~Old RF-68: Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (“ASM”) and Graded Surveillance Measures (“GSM”) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.~~
70. ~~Old RF-69: Our Company’s revenues and profits are difficult to predict and can vary significantly from quarter to quarter. This could cause our share price to fluctuate.~~
71. ~~Old RF-70: Qualified Institutional Buyers (“QIBs”) and Non-Institutional Investors were not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors are not permitted to withdraw their Bids after Bid/ Offer Closing Date.~~
72. ~~Old RF-71: Sale of Equity Shares by our Promoters and Promoter Group in future may adversely affect the market price of the Equity Shares.~~
73. ~~Old RF-72: Our assets and operations are located in India, and we are subject to regulatory, economic and political uncertainties in India and a significant change in the central and state governments’ economic liberalization and deregulation policies could disrupt our business.~~

SECTION V – GENERAL INFORMATION

Registered & Corporate Office

Shivashrit Foods Limited

Gopal Ganj,
Sarai Lavaria,
Aligarh, 202001
Uttar Pradesh, India.

Contact No.: +91 9358193582

E-Mail: info@shivashrit.com

Website: <https://shivashritfoods.com/>

Company Registration Number: 096223

Corporate Identification Number: U15490UP2017PLC096223

There has been no change in the registered office of our Company since incorporation.

For further details please see “*History and Certain Corporate Matters*” on page 38 of this Red Herring Prospectus.

SECTION VII - PARTICULARS OF THE OFFER

OBJECT OF THE OFFER

Requirement of funds and utilization of Net Proceeds

Deployment of funds

Sr. No	Particulars	Total Estimated Amount	Estimated Utilization of Net Proceeds in F.Y 2025-26	Estimated Utilization of Net Proceeds in F.Y 2026-27
1.	Capital Expenditure (“Expansion Project”)	2630.00	2630.00	NIL
2.	Working Capital Requirement for Expansion Project	1900.00	1000.00	900.00
3.	General Corporate Purpose	[•]	[•]	[•]
	Total Net Proceeds	[•]	[•]	[•]

Means of finance

No amount has been incurred towards the Expansion Project till date and hence the entire amount to be spent on the Expansion Project shall be financed in the manner set forth below:

Sr. No	Particulars	Amount (in ₹ lakhs)
1	Net Proceeds	2630.00
2	Capital Subsidy	100.00
2	Loan from HDFC Bank	3400.00
	Total	6130.00

Total estimated cost of the Expansion Project

Sr. No.	Particulars	Total Estimated Cost (In Lakhs)	Amount Deployed as on February 28, 2025 (In Lakhs)	Balance Amount to be Deployed (In Lakhs)
A	Construction of Building	491.88	0.00	491.88
B	(i) Plant & Machinery – Imported	3936.33	0.00	3936.33
	(ii) Plant & Machinery, Equipment - Domestic	438.84	0.00	438.84
C	Utilities	937.13	0.00	937.13
D	Miscellaneous Items	320.00	0.00	320.00
E	Contingencies	5.82	0.00	5.82
	Total Project Cost	6130.00	0.00	6130.00
F	Less: Subsidy*	100.00	0.00	100.00
G	Book value	6030.00	0.00	6030.00

*Note – Contingent upon the fulfilment of prescribed conditions and approval by the competent authority granting subsidy.

DETAILS OF OBJECTS OF THE OFFER:

- Part finance the Capital Expenditure to be incurred towards Construction of the Building, Plant & Machinery (Potato Flakes Line Machine), Utilities (Boiler, ETP Plant, Power Generator, Solar Panel), other miscellaneous assets, etc. (“Expansion Project”)**

A. Construction of Building:

The total estimated cost for the Construction of Building is ₹ 491.88 Lakhs for the new Factory Building which will be built up on the adjacent land next to the existing Factory, admeasuring 3651 square metre, situated at Khasra No-634 MI, Village Mahua, Paragana Gorai & Tehsil Iglas, Aligarh, Uttar Pradesh. The proposed land is taken on a long lease of 29 years from Sunita Singhal, Ramesh Chand Singhal, Pooja Singhal and Nishant Singhal (Landlords), Promoters/Promoter Group of the Company and the lease agreement is executed between Pooja Singhal (for herself and on behalf of others) and Shivashrit Foods Limited on November 01, 2024 and the rent payable is ₹ 2,000/- per month. ~~The said lease transaction is done on an arm's length basis.~~

The lease deed for proposed manufacturing unit includes an escalation clause providing for a 5% increase in rent every five years during the lease term.

(ii) Plant & Machinery/ Equipment - Domestic

The cost for purchase of part of Plant and Machinery for Potato Flakes Line 2200 kg/h is ₹ 438.84 Lakhs and the said Plant and Machinery/Equipment to be Installed at New factory premises situated at Khasra No-634 MI, Village Mahua, Paragana Gorai & Tehsil Iglas, Aligarh, Uttar Pradesh.

The techno-commercial offer dated March 15, 2025 is provided by Kiron Manufacturing Systems Private Limited ("Kiron") having office at 42 A, Kunj Society, Alkapuri, Vadodara, Gujarat -390007. The techno-commercial offer is valid for a period of 30 days.

The term techno-commercial offer is derived from the quotation dated March 15, 2025 received from Kiron Manufacturing Systems Private Limited. The term techno-commercial offer and the term "quotation" mean the same and is used interchangeably.

D. Miscellaneous Items:

S.No.	Item Name	Qty	Price (INR in Lakhs)
1	Other Misc. Fixed Assets	1	0.00
2	Pre-Operative Expenses	1	250.00
3	Furniture	1	50.00
4	Fixtures & other assets	1	0.00
5	Computers & Electronics	1	20.00
6	Vehicle/Mobility Assets	1	0.00
7	Other Assets	1	0.00
Total			320.00

The term "Pre-operative Expenses" means and includes the following:

- **Consultancy and Approvals:** Costs related to obtaining necessary permissions and approvals for setting up the expansion project, including the consultant's fees.
- **Travel and accommodation:** Expenses incurred for the advisors, technicians and consultants who will be travelling for setting up the expansion project and conducting preliminary activities.
- **Trial runs:** Costs of testing and perfecting processes before the full launch of operations.
- **Salaries and wages:** Costs of hiring and paying the supervisors, labour and employees before operations begin.

Schedule of implementation

The detailed schedule of implementation of the Project is set forth below:

Particulars	Estimated Schedule of Commencement	Estimated Schedule of Completion
Building for the Factory	June 2025	December 2025

Particulars	Estimated Schedule of Commencement	Estimated Schedule of Completion
<i>Plant & Machinery (Tummers)</i>		
Order Placement	June 2025	
Receipt of Machinery	January 2026	
Installation & Commissioning of Machinery with Complete production line	January 2026	April 2026
Effluent Treatment Plant (ETP)	July 2025	March 2026
Plant & Machinery (Kiron)	July, 2025	March, 2026
Boiler	October, 2025	March, 2026
Power Plant	December, 2025	March, 2026
Trial Run	May 2026	May 2026
Commencement of Commercial Operation	1 st June 2026	

2. Working capital requirements

Basis of estimation of working capital

(Rs. In Lacs)

Particulars	2021-22	2022-23	2023-24	31.12.2024	2024-25	2025-26	2026 - 27
	Restated				Provisional	Estimated	
Current assets							
Inventories	1,649.53	2,431.90	3,427.49	3,786.05	5,219.74	4,858.97	10,899.92
Raw Material for New Plant Purchased in Season to avail benefit of cheap prices#						2,300.00	
Trade Receivables	122.94	268.89	553.71	790.45	814.02	912.26	2,126.94
Short Term Loans & Advances	474.69	783.09	1,396.58	1,171.86	1,108.65	1,189.20	1,800.00
Other Current Assets	174.95	165.91	273.95	267.83	356.43	398.24	644.03
Total Current Assets (I)	2,422.11	3,649.79	5,651.74	6,016.19	7,498.85	9,658.68	15,470.89
Current Liabilities							
Trade Payables	634.14	1,288.27	1,661.61	943.71	1,893.70	1,931.57	4,481.58
Short Term Provisions	31.10	36.10	249.91	221.98	220.61	226.54	301.22
Other Current Liabilities	53.32	117.79	443.71	246.62	700.53	707.83	1,479.84
Current Liabilities (II)	718.56	1,442.17	2,355.23	1,412.31	2,814.84	2,865.94	6,262.64
Total WC Gap (III)=[(I)-(II)]	1,703.55	2,207.62	3,296.51	4,603.88	4,684.01	6,792.74	9,208.25
Working Capital	1,703.55	2,207.62	3,296.51	4,603.88	4,684.01	6,792.74	9,208.25
Funded from Short Term Borrowings (Including Adhoc Limit of Rs. 800 Lakhs for seasonal purchase)	574.39	979.96	2,454.81	2,917.13	3,300.00	3,300.00	4,800.00
IPO Fund for WC	-	-	-	-	-	1,000.00	1,900.00
Internal accrual (Reserves, USL from Directors, Ploughing back of Profit)	1,129.16	1,227.66	841.70	1,686.75	1,384.01	2492.74	2,508.25

Our Company is engaged in the manufacturing, supply, and export of potato flakes. Our manufacturing facility is located in Aligarh, Western Uttar Pradesh, India. Commercial operations at the unit commenced in 2018 with an initial installed capacity of 14.4 metric tonnes per day. In FY 2023–24, we undertook an expansion of our existing

potato flake processing line, which effectively doubled the installed capacity to 28.8 metric tonnes per day. Potatoes are the key raw material used in our manufacturing process. We procure them directly from farmers, suppliers, and traders. Since the main harvesting season falls between December and March, we typically purchase around 80% to 90% of our annual potato requirement during this period.

The increase in our working capital requirement in absolute terms is primarily due to higher production volumes and a corresponding increase in revenue from operations. Our working capital needs have grown year-on-year, in line with the overall expansion of our business operations, production capacity, and future growth plans. As a result, the working capital gap has increased from ₹1,703.55 lakhs in FY 2021–22 to an estimated ₹9,208.25 lakhs in FY 2026–27.

The increase in working capital over the years is directly correlated with the growth in scale of operations, seasonality of raw material procurement, and proactive stocking strategies ahead of capacity expansions. While the absolute requirement has grown, the Company has demonstrated improved working capital efficiency, particularly during scale-up and post-expansion phases.

The holding level including stub period are given herewith;

Particulars	2021-22	2022-23	2023-24	31.12.2024	2024-25	2025-26	2026 - 27
Inventories days	190	213	214	237	207	289	191
Receivable days	15	16	19	32	23	26	20
Payable days	179	114	138	120	108	113	88
WC Days	26	115	95	149	122	202	123

Justifications including stub period are given herewith;

Inventories

Inventory includes raw materials, work-in-progress (WIP), and finished goods that the company maintains for its production and manufacturing activities. In our industry, inventory mainly consists of potatoes, which are the key raw material used for manufacturing finished products.

The overall inventory levels have increased due to higher sales in the normal course of business and increased production capacity following the installation of a new plant in FY 2023–24. On average, inventory holding ranged between 190 and 214 days during FY 2021–22 to FY 2023–24, mainly because of the seasonal nature of our main raw material, potatoes. As potatoes are a seasonal crop, 80% to 90% of the annual requirement is procured between December and March. This seasonal buying leads to higher inventory levels at the year-end, resulting in the observed holding period.

As of 31st March 2023, average inventory holding increased to 213 days. This was due to the buildup of stock in anticipation of the planned expansion project in FY 2023–24. Since most of the potatoes are procured during December to March, planning for next year's operations also affects year-end inventory.

In FY 2023–24, the company expanded its production capacity, which became operational from July 2023. This led to higher revenues and increased operational activity. As a result, inventory holding as of 31st March 2024 stood at 214 days.

As of 31st December 2024 (for the 9-month stub period), inventory holding was at 237 days based on the cost of goods sold. While this seems slightly high, it is because the figure is not annualized. However, it remains in line with past trends.

For FY 2024–25 and FY 2026–27, the company has estimated average inventory holding at 207 days and 191 days, respectively—consistent with historical patterns. However, for FY 2025–26, the holding period is expected to increase to 289 days. The increase in holding days due to stocking up of raw material i.e. potato for the new production line, which is scheduled to begin commercial operations from June 1, 2026. Since the potatoes required for this new capacity will be procured during the peak season December to March, the company

**Trade
Receivables**

expects to hold raw material stock worth ₹2300 lakhs as of 31st March 2026 for same. While this will temporarily increase inventory levels at the end of FY 2025 – 26.

The resulting sales benefit will be of new production facility will reflect in FY 2026–27.

Trade receivables consist of debts owed by both domestic and export customers. The Company's average trade receivables have been maintained between 15 days, 16 days and 19 days for FY 2021–22, FY 2022 – 23 and FY 2023–24. The average trade receivables level were maintained in line with line wit past trends and there are no major variations.

The average trade receivables holding as of 31st December 2024 stood at 32 days of revenue from operations for the 9-month stub period. This appears slightly higher since the figure is not annualized. The same is in line with past trends.

The Company anticipates continued growth in trade receivables in FY 2024–25, FY 2025–26, and FY 2026–27 due to the ongoing addition of new customers, the opening of a new B2C segment in December 2024, and the expansion of production capacity through new facility additions.

Increase in Revenue from Operations

We expect revenue from operations to continue rising in FY 2024–25, FY 2025–26, and FY 2026–27 as the Company enters the B2C segment under the brand  in December 2024 and continues to expand its B2B customer base. Additionally, the Company is investing in capital expenditure through this IPO, which will result in a corresponding increase in trade receivables in absolute terms.

Trade Payables

Trade payables refer to the amounts a company owes to its suppliers for goods or services received on credit, representing trade payables. They typically arise from routine business activities, such as purchasing raw materials, inventory and other services, with the agreement to pay later. The average trade payable was maintained between 114 days to 179 days between FY 2021 – 22 to FY 2023 – 24. The 80% to 90% of annual requirement is procurement of company's raw material i.e. potato is between December to March, hence trade payable levels are between 114 days to 179 days of annual purchases.

The average trade payable level reduced from 179 days as of 31st March 2022 to 114 days as of 31st March 2023 due to improved liquidity, timely payments to suppliers, and the Company's conscious effort to strengthen vendor relationships by reducing credit cycles.

Further, the average trade receivables level increased to 138 days as of 31st March 2024, primarily due to increased sales volumes following capacity expansion and extended credit terms offered to customers to support business growth and strengthen market presence.

The average trade payables holding as of 31st December 2024 stood at 120 days of purchases for the 9-month stub period. Since potatoes are a seasonal agricultural product, about 80% to 90% of the Company's annual requirement is procured between December and March. As the procurement started only in December 2024, the trade payables were relatively low at the period-end. This is consistent with the trend observed in earlier years.

The company has estimated to maintain average trade payable level at 108 days and 113 days for FY 2024 – 25 and 2025 – 26. Further, the company plans to strengthen its financial position by utilizing IPO funds to optimize working capital and accelerate payments to suppliers which will lead to payment to creditors and reduction in the outstanding days payable. Hence, trade payables days are estimated at lower levels for FY 2026 – 27 which will enable our Company to get better terms from our vendors.

**Working Capital
Cycle**

The working capital cycle of company was ranging from 26 days to 115 days between FY 2021 - 22 to 2023 - 24. The working capital cycle (non annualized) was stood at 149 days for the stub period ended 31st December, 2024. The working capital (WC) requirement reflects the typical needs for managing raw material, production, and receivables. The working

capital requirement in absolute terms has increased due to the rise in sales year-on-year. In FY 2021–22, the company operated at a moderate scale with a working capital structure aligned to its then-installed production capacity.

During FY 2022–23, both sales and the working capital gap increased in absolute terms. The rise in Working Capital was largely due to the maintenance of higher inventory levels as of 31st March 2023, considering the planned expansion project in FY 2023–24. Since 80% to 90% of the annual potato requirement is procured between December and March, the procurement plan for the following year also impacts inventory holding at the year-end.

In FY 2023–24, the company undertook a capacity expansion that became operational from July 2023, leading to a sharp increase in revenue. The working capital requirement have improved to 95 days indicating improved operational efficiency and higher turnover as the company scaled up operations.

For the stub period ending 31st December 2024, the working capital gap increased significantly to 149 days. This higher percentage is due to the figure being based on 9-month sales, which are not annualized. Nonetheless, the working capital requirement is consistent with the trend observed in the previous year.

Further, the working capital cycle have been at 122 days for 2024 – 25. The company has estimated the working capital days at 202 days for FY 2025 – 26. The company's working capital cycle is estimated to increase for 2025-26 because the company plans to hold raw material stock worth ₹ 2300 Lakhs as of March 31, 2026, for the Expansion Project, which is set to commence commercial operation by 1st June, 2026. The company's major raw material is potatoes, which are a seasonal agricultural product. The company procures 80% to 90% of its annual raw material requirement between December to March every year. The working capital cycle is further estimated at 123 days for 2026 – 27, which is in line with past trends.

Short Term Borrowings

Short-term borrowings comprise working capital loans (CC/LC limits, pre-shipment credit, post-shipment credit, export bill discounting, and OD limits) from banks to finance the company's working capital requirements.

The company currently has a regular working capital limit of Rs. 2,500 lakhs an additional limit of Rs. 800 lakhs for seasonal purchase during peak season. HDFC Bank has sanctioned an additional limit of Rs. 1,500 lakhs for the new plant, which will be released upon the commencement of commercial production at the additional facility.

Other Liabilities

Other liabilities primarily include items such as payable for employee benefits, payables for statutory and other authorities, advance from customers, and other similar obligations. Other current liabilities have been increased due to requirement of manpower in FY 2024 – 25, FY 2025-26 resulting increase in obligations due to increase in business in ordinary course and increase in advance from customers.

Short Term Provisions

Short term provisions primarily include provision for taxation, provision for employees' benefit, short term provisions. The provisions have been maintained in line with the increase of projected business income/expenses for the forthcoming years.

Cash and Cash Equivalents

The category of cash and cash equivalent comprises of cash in hand, bank balance and fixed deposit with original maturity of less than 12 months held with bank.

Loans & Advances

Loans & Advances majorly consists of advances given to suppliers and other advances in ordinary course of business. The same is estimated to have been maintained in line with the increase of projected business income / expenses for the forthcoming years.

Other Assets

Other Assets majorly include Advance Tax, TDS and TCS, GST Input, Duty draw back receivables, employees advance, prepaid expenses and similar nature of current assets. The same is estimated to have been maintained in line with the increase of projected business income / expenses for the forthcoming years.

General corporate purposes

Our Company intends to deploy ₹ [●] Lakhs of the Net Proceeds, towards general corporate purposes, in such a manner that the amount for general corporate purposes, as mentioned in the objects of the offer of this Draft Prospectus, shall not exceed 15% of the amount being raised by our Company through this Issue or Rs.10 crores whichever is less, in compliance with the Regulation 230(2) of the SEBI ICDR Regulations.

Monitoring of utilisation of funds

Our Company has appointed [●] as the Monitoring Agency to monitor the utilization of the Net Proceeds, in accordance with Regulation 262 (1) of the SEBI ICDR Regulations.

BASIS FOR OFFER PRICE

Investors should read the above-mentioned information along with “Risk Factors”, “Our Business”, “Management Discussion and Analysis of Financial Position and Results of Operations” and “Financial Information” on pages 27, 132, 227 and 187, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” and you may lose all or part of your investments.

#	Name of the Company	Face Value (Per Share)	CMP	Revenue (₹in Lakhs)	P/E Ratio	RONW (%)	NAV (₹ Per share)	PAT (₹in Lakhs)
1	Shivashrit Foods Limited	10.00	-	7622.05		69	48.46	1161.39
Peer Group*								
2	Iskon Balaji			1,18,566				26,337

*Unlisted Peer Group Company

#Industry Peers may be updated before filing Red Herring Prospectus with ROC.

Notes:

The figures for Shivashrit Foods Limited are based on the restated financial statement for the FY ended March 31, 2024.

For further details see section titled “Risk Factors” beginning on page 27 and the financials of the Company including profitability and return ratios, as set out in the section titled “Auditors Report and Financial Information of Our Company” beginning on page 188 and 192 of this Draft Prospectus for a more informed view.

Comparison of KPI with industry peers:

(Amount in ₹ Lakhs, except %)

Particulars	Issuer Company				Industry Peer (Iskon Balaji)		
	Dec-24	Mar-24	Mar-23	Mar-22	Mar-24	Mar-23	Mar-22
Revenue from Operations (1)	7,677.50	7,622.05	4,535.10	3,834.49	1,18,566	66,811	38,816
Growth in Revenue (2)	34.30%#	68.07%	18.27%	(2.79%)	77.46%	72.12%	20.12%
EBITDA (3)	1,718.36	1,996.31	510.51	459.22	37,932	12,344	2,581
EBITDA Margin (4)	22.38%	26.19%	11.26%	11.98%	31.99%	18.48%	6.65%
PAT (5)	832.41	1,161.39	151.56	60.20	26,337	2,851	941
PAT Margin (6)	10.84%	15.24%	3.34%	1.57%	22%	4%	2%
Net Worth (7)	3,086.50	2,254.09	1,092.70	941.14	42,099	15,762	12,908
ROCE (8)	45.49%	44.89%	12.02%	11.49%	42.33%	21.80%	3.71%
Current Ratio (9)	1.40	1.18	1.55	1.89	1.16	0.98	1.01
EPS (10)	17.90	24.97	3.26	1.29	450.21	49.67	16.39

**All the information for industry peers mentioned above are on a standalone basis and is sourced from their respective audited financial results and/or annual report.

Notes:

- Revenue from Operations as appearing in the Restated Financial Statements/ Annual Reports of the respected companies.
- Growth in Total Income (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period
- EBITDA is calculated as Profit before tax + Depreciation + Finance Cost – Other Income
- EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- PAT is mentioned as PAT for the period
- PAT Margin: PAT Margin is calculated by dividing PAT/Revenue from Operations
- Net Worth: Net Worth is sum of Equity Capital and Free Reserves including the Share Premium if any.
- ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as

shareholders' equity plus long term debt

9. ~~Current Ratio: Current Asset over Current Liabilities~~

10. ~~EPS is mentioned as EPS for the period~~

There are no listed companies in India that are engaged in a business similar to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

Restated Standalone KPI indicators

Particulars	Financial Year ended March 31st, 2025	Period ended December 31, 2024	Financial Year ended March 31st, 2024	Financial Year ended March 31st, 2023	Financial Year ended March 31st, 2022
	(Provisional Unaudited)	(Restated)	(Restated)	(Restated)	(Restated)
Revenue from operations	10,468.76	7,677.50	7,622.05	4,535.10	3,834.49
Growth in Revenue from Operations	37.35%	34.30%#	68.07%	18.27%	-2.79%
EBITDA	2,302.25	1,718.36	1,996.31	510.51	459.22
EBITDA Margin (%)	21.99%	22.38%	26.19%	11.26%	11.98%
EBITDA Growth Period on Period	15.33%	-14.55%	132.59%	-6.01%	7.92%
ROCE (%)	40.37%	45.49%	44.89%	12.02%	11.49%
Current Ratio	1.39	1.40	1.18	1.55	1.89
PAT	1,109.75	832.41	1,161.39	151.56	60.2
PAT Margin	10.60%	10.84%	15.24%	3.34%	1.57%
Net Worth	3,367.79	3,086.50	2,254.09	1,092.70	941.14
ROE/ RoNW(10)	33%	42%	69%	15%	7%
EPS	7.95	17.9	24.97	3.26	1.29

The above table will be reflected in all the other chapters wherever required.

OUR BUSINESS

BUSINESS OVERVIEW

The major raw material used in manufacturing of potato flakes are Potatoes. We procure potatoes directly from farmers, third party suppliers and traders. Third Party Suppliers are body corporates which supply Potatoes to the Issuer company. The peak season for procurement of potatoes is December to March, which is harvesting season. Our company procures appx. 80% - 90% of annual requirement of potatoes during peak season. We have direct access to the farmers in the radius of 200 kilometers from our manufacturing unit. This extensive network of farmers enables us to ensure a steady supply of high-quality potatoes. We work closely with the farmers to uphold strict quality standards at every stage of production, from planting to harvesting, by maintaining end - to end oversight of the procurement process. Thus, we ensure that the freshest and highest quality of the potatoes are delivered to our processing facilities. We offer ~~competitive pricing and~~ timely payments, ensuring that farmers are rewarded for their hard-work-

The percentage of sourcing raw materials from farmers, traders and third-party suppliers for the last three financial years and the stub period is as below:

Sources of Potato	<i>(Rs. In Lakhs)</i>							
	1 st April, 2024 to 31 st Dec, 2024		2023-2024		2022-2023		2021-2022	
	Amount	%	Amount	%	Amount	%	Amount	%
Farmers	297.52	8.07%	347.70	9.24%	502.83	16.74%	229.79	12.72%
Traders	3,299.41	89.52%	3,181.85	84.54%	2,252.06	74.99%	1,459.37	80.79%
Third-Party Suppliers	88.78	2.41%	234.28	6.22%	248.18	8.26%	117.29	6.49%
Total Purchases	3,685.71	100.00%	3,763.83	100.00%	3,003.07	100.00%	1,806.45	100.00%

We hereby provide the average relationship that the company has with the farmers as per table below:

Sr. No.	Year	No. of farmers associated	Addition of Farmers (Y-O-Y)	Years of Relationship
1	2018	48	-	7
2	2019	70	22	6
3	2020	82	12	5
4	2021	90	8	4
5	2022	105	15	3
6	2023	102	-3	2
7	2024	109	7	1
8	2025	114	5	0

From the above table, you may note that the Company has average relationship of 5.55 years with the farmers.

We hereby provide the revenue bifurcation from B2B sales and B2C Sales for the last three financial years and the stub period, along with the details of sales made through own website, third-party website and offline sales for the last three financial years and the stub period, which is as follows:

Product sold	Own Website/ Third-Party Website/ Offline Sales	April to December, 2024	<i>(Rs. In Lakhs)</i>		
			FY 2023-2024	FY 2022-2023	FY 2021-2022
Potato Flakes B2B Sale	Offline Sales	6152.27	5093.48	3271.52	3834.49
Potato Flakes Export (B2B)	Offline Sales	1524.91	2528.57	1263.57	0
Online Sale (B2C)	Own Website	0.32	0	0	0

Product sold	Own Website/ Third-Party Website/ Offline Sales	April to December, 2024	FY 2023-2024	FY 2022-2023	FY 2021-2022
	Third Party Website	0	0	0	0
	Offline Sale	0	0	0	0
TOTAL SALES		7677.50	7622.05	4535.10	3834.49

We set out below the details of the pending export obligations:

EPCG Licence No	Machi ne Import Date	Date of Authorisa tion	Machine Import Amount in Euro	Duty waived In INR	Amount of Export Obligati on in USD	Date of Expiry of Export Obligat ion	Extend ed date as applie d by compa ny	Extende d Amount of Export Obligati on in (USD)	Total Export Amount till date in USD	Pending Export Obligation
0630007 023	27- Jun-18	20-Jun-18	14,28,43 8.00	3,49,99, 999	31,74,60 3.08	20-Jun- 24	20-Jun- 26	38,09,52 3.70	38,39,48 3.00	NIL
0631001 931	20- Apr- 23	11-Apr-23	10,60,00 0.00	2,97,23, 840	21,99,05 1.04	11-Apr- 29	-	-	40,05,55 9.00	NIL

OUR MANUFACTURING PROCESS

1. Raw Material – Selection, Procurement and Preparation

- i) The bifurcated purchases made by the Company on peak season and other months (off-season) for the last three financial years and stub period is as below:

(Rs. In Lakhs)

Purchase Bifurcation	April, 2024 to December, 2024		FY 2023-2024		FY 2022-2023		FY 2021-2022	
	Amount	%	Amount	%	Amount	%	Amount	%
Peak Season (December to March)	509.46	14%*	3,293.80	88%	1,996.10	66%	1,273.43	70%
Off-Season (April to November)	3,176.26	86%	470.03	12%	1,006.97	34%	533.02	30%
Total	3,685.71	100%	3,763.83	100%	3,003.07	100%	1,806.45	100%

*Includes only for One month i.e December 2024.

- ii) The details of month-wise purchases made by the Company for the last three financial years and stub period is as below:

Months	April, 2024 to December, 2024	FY 2023-2024	FY 2022- 2023	FY 2021-2022
	Amount			
April	433.17	53.09	86.89	14.31
May	397.50	0.87	55.38	10.33
June	77.96	-	141.56	14.78
July	736.10	26.29	68.86	61.82
August	375.42	157.51	106.88	97.34
September	326.25	71.36	117.99	80.36
October	499.18	61.68	143.51	98.01

Months	April, 2024 to December, 2024	FY 2023-2024	FY 2022-2023	FY 2021-2022
		Amount		
November	330.68	99.23	285.89	156.07
December	509.46	778.82	265.03	95.26
January	-	101.45	393.36	171.56
February		628.82	718.33	257.23
March		1,784.70	619.38	749.37
Total	3,685.71	3,763.83	3,003.07	1,806.45

b) Procurement

By sourcing the majority of its annual requirements during the peak season, the company is benefited of favorable prices resulting into maximize profitability and minimizing exposure to price spikes. These potatoes are procured from farmers, third party Suppliers and traders. To supplement supply, our company purchases from other regions during the off-harvest months. For instance, Gujarat provides potatoes later in the season, helping to bridge supply gaps between harvests.

6. Final Inspection & Packaging

After the flakes are dried and processed, some peel may inadvertently remain attached to the potato flakes. To remove this, suction pumps are used to extract the dried peel from the flakes. This process helps ensure the final product is free of unwanted peel.



The flakes, then, undergo rigorous quality control checks. Moisture content, texture, and flavour are assessed to ensure that the product meets our strict quality standards.

Finished Product Quality Control and Testing

Our products are tested for standard quality and assurance processes before being packed and dispatched to customers. Our quality control and assurance in house team comprise of 4 personnel. Based on the nature of our product, the testing and quality team performs various tests on the finished products to ensure that the product maintains its quality standards in terms of its physical and chemical characteristics and to check on any microbiological activity testing and analysis.



Once the potato flakes are produced, they undergo through the multiple tests to confirm they meet the desired quality standards before packaging, the details of which are as follows:

a) ***Moisture Content & Texture Analysis***

Moisture content is one of the most critical parameters, as excess moisture can lead to microbial growth and spoilage, whereas insufficient moisture can affect the texture and rehydration properties. The flakes are also evaluated for their texture to ensure they are neither too brittle nor too dense.

b) ***Particle Size & Bulk Density Testing***

The consistency of flake size is checked to ensure uniformity. Bulk density is also tested, as it affects packaging efficiency and the usability of the product in different applications.

c) ***Rehydration Test***

Potato flakes are expected to rehydrate quickly and uniformly when mixed with hot water. A rehydration test is performed to evaluate their absorption capacity and texture post-hydration, ensuring they meet consumer expectations.

d) ***Sensory & Nutritional Evaluation***

A sensory analysis is carried out to assess the colour, taste, aroma, and overall mouth feel of the product. This step ensures that the flakes retain the natural flavour of potatoes and do not exhibit any undesirable tastes or odours. Additionally, a nutritional analysis is performed to verify that the product meets the declared nutrient values, such as carbohydrate, protein, and fat content.

e) ***Microbiological & Safety Testing***

Finished potato flakes are subjected to microbiological testing to detect the presence of harmful pathogens like Salmonella, Escherichia coli, yeast, and mold. These tests ensure that the product is safe for consumption and meets food safety regulations.

Packaging

After thorough quality checks, the flakes are packed in High Density Polyethylene (HDPE) bags, which bags are sourced from major regional suppliers. This is to ensure that the flakes remain fresh and protected during transportation and storage. Our packaging process includes vacuum-sealing, using airtight bags, to preserve the quality and extend the shelf life of the flakes. As per our customer requirements, the flakes are also milled into potato flour and sold to the customers.



RAW MATERIAL

1. Potatoes – Primary Raw Material

- **Sourcing:** Potatoes are primarily sourced from major potato-growing regions in India, including Uttar Pradesh, Punjab, Gujarat known for producing potatoes with the ideal size, shape, and starch content for processing. This regional diversification also mitigates risks associated with location-specific challenges. The company procures potatoes from farmers, third party Suppliers and traders. Each region has different harvesting periods, allowing the company to align its procurement strategy with seasonal cycles and ensure availability of fresh, high-quality potatoes year-round.
- There is no conflict of interest between the suppliers of raw materials and third-party service providers and the company, Promoter, Promoter Group, Key Managerial Personnel, Directors and subsidiaries / Group Company and its directors.
- Additionally, the company leverages market opportunities to purchase potatoes at lower market prices. If favourable pricing conditions arise outside the main procurement season, the company makes additional purchase to build up inventory. This ensures a buffer of raw materials to offset high potato prices, thereby minimizing procurement costs and maximizing profit margins.

Supplier Identification and Selection

SFL source the majority of its raw material, i.e. potatoes, ~~through open market operations and from legacy~~ traders, farmers and third-party suppliers in the nearby regions.....

Cold Storage for Raw Potatoes

A cold storage facility is available adjacent to SFL's manufacturing facility, operated under M/s. Nishant Cold Storage (Promoted by promoters of SFL), for which our Company has entered into a rent agreement with M/s. Nishant Cold Storage for renting its cold storage facility on pay as per use basis. It also has advantages like cost savings and streamlined logistics. ~~This transaction is at arms' length.~~

The Company has entered into an agreement with Nishant Cold Storage, it's a lease agreement dated February 01, 2019, pursuant to which the Company is availing the cold storage space for storing its raw material i.e., potatoes.

OUR COMPETITIVE STRENGTHS

2. *Support of efficient supply-chain enable us to have long-standing and deep customer relationships*

Shivashrit's supply chain begins with the procurement of raw materials, which are then transported via freight inward to the manufacturing unit. Excess raw material is stored in the cold storage, this ensures the raw material stays fresh and preserved. After production, the finished products undergo testing and are packaged. The packaged goods are shipped outward through freight to the customer. Ultimately, the products are delivered directly to retail customers or consumed for further production of goods.

3. *Manufacturing Facility*

Our current facility is situated at Khasra No. 635, Mathura Road, Village Mahua, Iglas, Aligarh, Uttar Pradesh-202124 and spread over more than half an acre. Our company's manufacturing facility is equipped with ~~state-of-the-art~~ plant and machinery and modern technology, placing it at the forefront of efficiency.....

BUSINESS STRATEGY

4. Strengthening long-term supplier relationships and procurement processes

The company aims to gradually reduce its dependence on open market purchases by establishing long term relationships with ~~regional~~ farmers, third party suppliers and ~~reputable~~ traders. While the flexibility of open market purchases will play a crucial role in procurement, forming long term relationships with suppliers is intended to secure a more stable and predictable supply of high-quality potatoes.....

SWOT ANALYSIS

STRENGTH

- Technological Expertise: ~~state-of-the-art~~ plant and machinery ensures production efficiency, superior product quality, and reduced waste.

HUMAN RESOURCES

Details of Last 3 months	Number of employees registered	Amount paid	
		EPF	ESI
January, 2025	21	45032	23910
February, 2025	21	46160	23848
March, 2025	21	45959	23741

PLANT AND MACHINERY

The Company has procured its main Potato Flake Processing Line from Tummers Food Solutions, Netherlands, a highly specialized system designed for efficiently producing high-quality potato flakes from raw potatoes. The Company also procured parts of the Potato Flake Processing Line from Domestic Vendor, Kiron Manufacturing Systems (P) Limited, Vadodara, India. Tummers Food Solutions is known for developing ~~state-of-the-art~~ technology for the food processing industry....

IMMOVABLE PROPERTY—

- (e) The above properties are owned by our Promoters and Promoter Group. Our Company leases these properties from the Promoters and Promoter Group. As such, where these properties are concerned, there may be potential conflict of interest between the Promoters and Promoter Group and our Company. There is also no conflict of interest between the Promoters and Promoter Group and the Key Managerial Personnel, subsidiaries/Group Company and its directors in relations to the above properties.

KEY REGULATIONS AND POLICIES

Food Safety and Standards (Packaging Regulations), 2018 (the "Packaging Regulations")

The Packaging Regulations were notified by the Food Safety and Standards Authority of India ("FSSAI") to establish standards for packaging materials in direct contact with food products. These regulations prescribe specific requirements for packaging materials to ensure food safety and quality, including material specifications, sanitary conditions, and prohibitions on the use of recycled plastics in food packaging. The Packaging Regulations also specify migration limits for contaminants from packaging materials to food products and mandate that packaging materials must conform to Indian Standards as prescribed by the Bureau of Indian Standards. These regulations aim to safeguard consumer health by preventing contamination from packaging materials and ensuring the integrity of food products throughout the supply chain.

Food Safety and Standards (Labelling and Display), 2020 (the "Labelling Regulations")

The Labelling Regulations were introduced by the FSSAI to establish comprehensive labelling requirements for prepackaged food products in India. These regulations prescribe mandatory disclosures on food labels including product name, ingredient list, nutritional information, allergen warnings, manufacturing details, and best-before/expiry dates. The Labelling Regulations also introduce specific requirements for front-of-pack nutritional labelling and provide guidelines for health and nutrition claims made on food products. These regulations aim to ensure that consumers receive accurate and adequate information to make informed food choices, prevent misleading claims, and promote public health through transparent disclosures about the composition and nutritional profile of food products.

Hazard Analysis and Critical Control Points ("HACCP")

HACCP is an internationally recognized food safety management system adopted under the Food Safety and Standards Act, 2006 and its subsequent regulations. This systematic preventive approach to food safety identifies, evaluates, and controls hazards that are significant for food safety at critical points throughout the food production process. HACCP implementation requires food business operators to establish documented protocols for identifying biological, chemical, and physical hazards, determining critical control points, establishing critical limits, implementing monitoring procedures, and maintaining corrective action plans. The FSSAI mandates HACCP compliance for certain categories of food businesses to ensure systematic control of food safety hazards, minimize risks to consumer health, and facilitate international trade through alignment with global food safety standards.

Bureau of Indian Standards Act, 2016 ("BIS Act")

The BIS Act which was notified on March 22, 2016, has been brought into force with effect from October 12, 2017, repealing and replacing the Bureau of Indian Standards Act, 1986. The BIS Act provides for establishment of Bureau of Indian Standards to take all necessary steps for promotion, monitoring and management of the quality of goods, articles, processes, systems and services, as may be necessary, to protect the interests of consumers and various other stake holders. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security. Further, the BIS Act also provides for, among other things, repairing or replacement or reprocessing of standard marked goods or services sold by a certified body but not conforming to the relevant Indian Standard.

HISTORY AND CERTAIN CORPORATE MATTERS

Major events and milestones of our Company

The table below sets forth some of the key events in the history of our Company:

2018	Received approval for Grant-in-aid of Rs. 5 Crores from Ministry of Food Processing Industries, Delhi for Setting up a new food processing unit.
	An state-of-the-art automated manufacturing plant, equipped with advanced technology, including key components for potato processing, duly installed and made operational was purchased from M/s. Tummers Food Processing Solutions, Netherlands.

OUR MANAGEMENT

Brief profile of our Directors

Sunita Singhal is a Non-Executive Director and Promoter of our Company. She has passed Matriculation. She has been associated with our Company since September 2024. She was involved in the business of Prashant Enterprise as an Executive Partner, engaged in Manufacturing and export of door handles, door fittings, brass and bronze metal hardware dealers etc, for 22 years in the capacity of a Partner. She was actively involved in the process of major decision making for the Partnership firm.

Change in our Board during the last three years

The changes in the Board of our Company during the last three years till the date of this Draft Red Herring Prospectus are set forth below:

Name of Director	Date	Reason
Sunita Singhal	September 20, 2024	Appointment as Non-Executive Director
Sachin	September 20, 2024	Appointment as Independent Director
Sagar Agarwal	September 20, 2024	Appointment as Independent Director
Kusum Sharma	September 20, 2024	Appointment as an Independent Director
Ramesh Chand Singhal	September 20, 2024	Cessation as Director, consequent to the decision of the Company to broad base the Board of Directors by induction of Independent Directors. Mr. Ramesh Chand Singhal resigned to give effect to the appointment of the Independent Directors.
Raj Kumar Jain	September 20, 2024	Cessation as Director, consequent to the decision of the Company to broad base the Board of Directors by induction of Independent Directors. Mr. Raj Kumar Jain resigned to give effect to the appointment of the Independent Directors.
Prashant Singhal	September 20, 2024	Change in Designation from Director to Managing Director
Prashant Singhal	February 05, 2025	Cessation as Managing Director
Prashant Singhal	February 06, 2025	Appointment as an Additional Director and Non-Executive Director
Nishant Singhal	February 06, 2025	Change in Designation from Director to Managing Director
Prashant Singhal	February 08, 2025	Regularization as Chairman and Non-Executive Director

Key Managerial Personnel

Other than the Managing Director whose details are provided hereinabove, the details of our Key Managerial Personnel, as on the date of this Draft Red Herring Prospectus are set below:

Abhishek Jain is the Chief Financial Officer of our Company. He secured a degree of Bachelor of Commerce from University of Delhi. He also holds Management (with Dual Specialization in Marketing and Human Resource Management) Certificate from the Indian Institute of Management. He has over twelve years of the experience in the field of finance and accountancy. He served M/s. Prashant Enterprises at the position of an Executive Partner in its Finance and Accounting divisions for a period of 12 years. In his role as the Executive Partner, he was overseeing cash flow management, financial planning, and taxation issues. He is entitled to a remuneration of Rs.1,00,000/- on a monthly basis since February 06, 2025 and onwards. ~~an aggregate compensation of ₹12,00,000/- (Rupees Twelve Lakhs only) per annum as per his terms of appointment.~~

Bharti is the Company Secretary and Compliance Officer of our Company. She completed Company Secretary in the year 2013. She worked with Fortune Industrial Resources Limited, between 2020 and 2024 and hence, she has experience of around 5 year with exposure in the field of Legal, Secretarial, Corporate Affairs, Statutory, Regulatory and Local Authorities. Ms. Bharti receives remuneration of Rs. 35,000/- on a monthly basis since September 20, 2024, as per her terms of appointment.

Relationship amongst Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel and Senior Management Personnel are related to each other as on the date of this Draft Red Herring Prospectus except Mr. Abhishek Jain who is a distant relative of our Promoters, as is detailed below:

Sr.no	Individual	Promoter	Relationship
1.	Abhishek Jain	Sunita Singhal	Nephew
2.	Abhishek Jain	Ramesh Chand Singhal	Nephew
3.	Abhishek Jain	Nishant Singhal	Cousin Brother
4.	Abhishek Jain	Prashant Singhal	Cousin Brother

OUR GROUP COMPANIES

Common pursuits

~~As on date of this Draft Red Herring Prospectus, our Company has not entered into non-compete agreements with our Group Companies, for risks relating to the same, please see “Risk Factors” on page 27 of this Draft Red Herring Prospectus.~~

None of our Group Companies are engaged in a similar line of businesses as that of our Company.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Approvals/Licenses Related to Our Business Activities

Sr. No.	Particulars of the License	Authority	Registration No./ Reference No./License No.	Date of Issue	Date of Expiry
4.	License under FSS Act, 2006	Food Safety And Standards Authority of India (FSSAI)	10020051003541	April 11, 2025	May 28, 2030
12.	Intertek Certificate of Registration	Intertek Certification Ltd, United Kingdom	10009819	August 9, 2022	October 20, 2025
16.	Registration Certificate of Shop or Commercial Establishment	Labour Department, Uttar Pradesh	UPSA12716494	November 18, 2024	Valid until cancelled

Pending Approvals:

Consolidated Consent to Operate and Authorisation (CCA) to increase the manufacturing capacity to 30 Metric tonnes/day.

Material Licenses / Approvals for which the Company is yet to Apply:

Consolidated Consent to Operate and Authorisation (CCA) to increase the manufacturing capacity, post utilization of the amount raised through the present Offer, additionally with a 52.8 Metric tonnes/day.
Certificate for Use of Boiler – Uttar Pradesh Boiler Inspection Department. A boiler with an adequate capacity will be installed.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Each of the Promoter Selling Shareholders, severally, confirm that they are in compliance with the SEBI (ICDR) Regulations, 2018 and they have held their respective portion of the Offered Shares for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus, in accordance with Regulation 229(2).

We further confirm that:

- I. In accordance with Regulation 268 of the SEBI ICDR Regulations, we shall ensure that the total number of proposed Allottees in the offer will be greater than or equal to two-hundred (200), otherwise, the entire application money will be refunded within two (2) days of such intimation. If such money is not repaid within two (2) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of two (2) days, be liable to repay such application money, with interest at the rate 15% per annum. Further, in accordance with Section 40 of the Companies Act, 2013, our Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
- II. In accordance with Regulation 246 the SEBI ICDR Regulations, we shall also ensure that we submit the soft copy of Red Herring Prospectus through the BRLM immediately upon registration of the Red Herring Prospectus with the Registrar of Companies along with a Due Diligence Certificate as per Form A of Schedule V to which the site visit report of the issuer prepared by the lead manager shall also be annexed, including additional confirmations as provided in Form G of Schedule V along with the draft offer document to the SME Exchange. However, SEBI will not issue any observation on the offer documents. Further, in terms of Regulation 246(3) of the SEBI ICDR Regulations, the Book Running Lead Manager will also submit to SEBI a due diligence certificate as per the format prescribed by SEBI, along with the prospectus.

In terms of Regulation 229(3) of the SEBI ICDR Regulations, we confirm that we have fulfilled the eligibility criteria for EMERGE Platform of National Stock Exchange of India Limited, which are as follows:

Revised FCFE calculation is attached herewith same will be incorporated in the RHP.

1. The Issuer has positive free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application as given below:

Particulars	Standalone			
	As at December 31, 2024	As at March 31, 2024	As at 31st March, 2023	As at 31st March, 2022
Net Cash flow from Operations	61.23	544.45	(27.03)	144.38
Less- Purchase of Fixed Assets (net of sale proceeds of Fixed Assets)	(132.50)	(1,435.67)	(75.75)	(79.39)
Add- Net Total Borrowings (net of repayment)	155.26	1,430.49	465.93	15.95
Less- Interest expense x (1-T)	(197.92)	(171.68)	(104.19)	(44.64)
Free cash flow to Equity (FCFE)	(113.93)	367.59	258.96	36.30

(Rupees in Lakhs)

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

e) In accordance with Regulation 7(1)(e) of the SEBI ICDR Regulations, we have made firm arrangements through verifiable means towards 75% of the stated means of finance for the Expansion Project, excluding the Net Proceeds allocated towards the Expansion Project. The above calculations are certified by RGAR & Associates by way of their certificate dated June 10, 2025. For further details, please refer the chapter titled “Objects of the Offer” on page 85 of this Draft Red Herring Prospectus.

Other Disclosures:

- e) There are no other agreements/ arrangements and clauses / covenants which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document
- f) There are no findings/observations of any of the inspections by SEBI or any other regulator which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document
- g) No material clause of Article of Association have been left out from disclosure having bearing on the IPO/disclosure.

SECTION XIII - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

I. Material Contract for the Offer

(x) Site visit report dated February 28, 2025 issued by Mark Corporate Advisors Private Limited of Shivashrit Foods Limited.