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# ANNAPURNA SWADISHT LIMITED

Our company was originally formed as Partnership Firm in the name and style of "M/s Annapurna Agro Industries" through partnership deed dated November 27, 2015. Subsequently the constitution of partnership firm was changed through partnership deed dated May 15, 2016, dated April 1, 2018, dated April 1, 2019 and dated December 01, 2020. Further, the Partnership Firm was converted into Private Limited Company "Annapurna Swadisht Private Limited" on February 11, 2022, under Part I (Chapter XXI) of the Companies Act, 2013 vide certificate of incorporation issued by Registrar of Companies, Central Registration Centre. Subsequently, our Company was converted into a public limited company pursuant to approval of the Shareholders at an Extraordinary General meeting held on June 28, 2022 and consequently, the name of our Company was changed to "Annapurna Swadisht Limited" and a Fresh Certificate of Incorporation consequent upon conversion from Private Company to Public Company was issued by Registrar of Companies, Kolkata on July 8, 2022. The Corporate Identification Number of our Company is U15133WB2022PLC251553.

Registered Office: 90, Phears Lane, Unit No. 604, 6th floor PS- Bowbazar Kolkata- 700012 (West Bengal), India;  
Tel: 033 - 4603 2805; E-mail: cs@annapurnasnacks.in; Website: www. annapurnasnacks.in; Contact Person: Mr. Shakeel Ahmed, Company Secretary and Compliance Officer; CIN: U15133WB2022PLC251553

## OUR PROMOTERS: RITESH SHAW AND SHREERAM BAGLA

### THE ISSUE

INITIAL PUBLIC OFFER OF UP TO 43,22,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF ANNAPURNA SWADISHT LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING TO ₹ [●] LAKHS (THE "ISSUE"). THE ISSUE INCLUDES A RESERVATION OF UP TO 2,16,000 EQUITY SHARES OF FACE VALUE ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE, AGGREGATING UP TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF UP TO 41,06,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE, AGGREGATING UP TO ₹ [●] LAKHS IS HERINAFTER REFERRED TO AS THE "NET ISSUE".

- QIB PORTION : NOT MORE THAN 50% OF THE NET ISSUE
- RETAIL PORTION: NOT LESS THAN 35% OF THE NET ISSUE
- NON-INSTITUTIONAL PORTION: NOT LESS THAN 15% OF THE NET ISSUE

PRICE BAND: ₹ 68 TO ₹ 70 PER EQUITY SHARE OF FACE VALUE ₹ 10/- EACH.

THE FLOOR PRICE IS 6.8 TIMES OF THE FACE VALUE AND

THE CAP PRICE IS 7 TIMES OF THE FACE VALUE OF THE EQUITY SHARES

BIDS CAN BE MADE FOR A MINIMUM OF 2000 EQUITY SHARES AND IN MULTIPLES OF 2000 EQUITY SHARES THEREAFTER .

### RISKS TO INVESTORS:

- The licenses and registration which were in the name of M/s. Annapurna Agro Industries are in the process of transfer in the name of our Company. However, in case any of such licenses and registration are not transferred, the operations of our Company may be adversely affected.
- We do not own the premises in which our manufacturing facilities are located and the same is on lease arrangement. Any termination of such lease/ license and/or non-renewal thereof and attachment by Property Owner could adversely affect our operations.
- Our inability to expand or effectively manage our growing distribution network may have an adverse effect on our business results of operations and financial condition.
- Increase in the prices of our raw material may have an adverse effect on our business.
- The Merchant Banker associated with the Issue has handled 2 (Two) public issue in the past three years out of which none of the Issues closed below the Issue Price on Listing date.
- The Price/Earnings ratio based on Diluted EPS for Fiscal 2022 for the company at the upper end of the Price Band is 20.35 as compared to the average Industry Peer Group PE ratio of 210.15. The weighted average cost of acquisition of all the shares transacted by the Promoter and Promoter Group in last 3 years and 1 year from the date of Red Herring Prospectus (RHP):

Period	Name of promoter	Weighted Average Cost of Acquisition (in Rs.)	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of Acquisition price: Lowest Price - Highest Price (in Rs.)
Last 1 year	Shreeram Bagla Ritesh Shaw	10.00 9.91	7.00 time 7.06 times	10.00 - 10.00 NIL* - 10.00
Last 3 years**	Not Applicable	Not Applicable	Not Applicable	Not Applicable

\*By way of gift between Promoter and Promoter Group.

\*\* The Company was formed on February 11, 2022, thus not applicable.

- Average cost of acquisition of Equity Shares for the Promoters ranges from Rs. 10.00/- to 9.91/- & the Issue Price at the upper end of the Price Band is Rs. 70 per Equity Share.
- Weighted Average Return on Net worth for Fiscals 2022, 2021 and 2020 is 30.23%

### BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLM, on the basis of the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is 6.8 times the face value at the lower end of the Price Band and 7.0 times the face value at the higher end of the Price Band. Investors should refer to "Risk Factors", "Our Business", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 23, 86, 142 and 175, respectively, to have an informed view before making an investment decision.

#### QUALITATIVE FACTORS:

Some of the qualitative factors, which form the basis for computing the price, are -

- Growing financial performance
- Multi-product portfolio;
- Cordial relations with our customers;
- Quality Assurance & Control;
- Leveraging the experience of our Promoters; and
- Experienced management team and a motivated and efficient work force;

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to Section titled, "Our Business", beginning on page no. 86 of this Red Herring Prospectus.

#### QUANTITATIVE FACTORS:

Our Company has been formed upon conversion of Partnership Firm into Company vide a certificate of incorporation dated February 11, 2022. Our Company has been converted with paid up equity share capital of ₹ 7,00,00,000 divided into 70,00,000 equity shares of ₹ 10 each. The status of our Company prior to February 11, 2022 was Partnership Firm. Hence, EPS and NAV per share for all the years has been calculated by considering the number of shares outstanding post conversion of partnership firm into Company. The information presented in this section is derived from our Company's restated financial statements for the period ended June 30, 2022 and financial year ended on March 31, 2022, March 31, 2021 and 31st March 2020 prepared in accordance with Indian GAAP, the Companies Act and Restated in accordance with SEBI (ICDR) Regulations. For details, refer chapter titled "Financial Statements as Restated" beginning on page no. 142 of this Red Herring Prospectus. Some of the information presented below relating to our Company is derived from the Restated Financial Statements.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

#### 1. Basic and Diluted Earnings/Loss per Share ("EPS") as adjusted

As derived from the Restated Financial Statements:

Year/Period ended	Basic / Diluted EPS (₹)	Weight
March 31, 2022*	3.44	3
March 31, 2021	0.73	2
March 31, 2020	0.49	1
Weighted Average	2.05	
June 30, 2022**	1.42	

\* Combined EPS figure from 1st April 2021 to 11th February 2022 and 12th February 2022 to 31st March 2022

\*\* Not Annualized

#### Note:

- The figures disclosed above are based on the restated financial statements of our Company.
- The face value of each Equity Share is ₹ 10.00.
- Earnings per Share has been calculated in accordance with Accounting Standard 20 - "Earnings per Share" issued by the Institute of Chartered Accountants of India.
- The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements beginning on page no. 142.
- Basic Earnings per share = Net profit after tax / Weighted average number of equity shares outstanding during the period/year.
- Diluted Earnings per share = Net profit after tax / Weighted average number of potential equity shares outstanding during the period/year.
- Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights.

#### 2. Price / Earning (P/E) Ratio in relation to the Price Band of ₹ 68 to ₹ 70 per Equity Share

Particulars	P/E at Ratio
a) P/E ratio based on Basic and Diluted EPS for March 31, 2022 at the Floor Price	19.77
b) P/E ratio based on Basic and Diluted EPS for March 31, 2022 at the Cap Price	20.35

#### 3. Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio is 644.52, the lowest P/E ratio is (72.57) and the average P/E ratio is 210.15.

Particulars	Industry peers	P/E ratio
Highest	Prataap Snacks Limited	644.52
Lowest	DFM Foods Limited	(72.57)
Industry composite		210.15

#### Notes:

(i) The highest and lowest industry P/E shown above is based on the peer set provided below under "Comparison with listed industry peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below.

(ii) P/E figures for the peer are computed based on closing market price as on September 2, 2022, divided by Basic EPS.

#### 4. Average Return on Net Worth (RONW):

Return on net worth derived from the Restated Financial Statements:

Year Ended	RONW (%)	Weight
March 31, 2022	31.89%	3
March 31, 2021	22.11%	2
March 31, 2020	41.48%	1
Weighted Average	30.23%	
June 30, 2022	14.77%	

#### Notes:

(i) Weighted average = Aggregate of year-wise weighted Net Worth divided by the aggregate of weights i.e. [(Net Worth x Weight) for each year] / Total of weights

(ii) Return on Net Worth (%) = Net profit after tax as restated, attributable to the owners of our Company / Net worth as restated as at period/year end.

#### 5. Net Asset Value (NAV) per Equity Share

Particulars	NAV (in ₹)
March 31, 2022	10.79
After the Offer	33.43*
Issue Price	₹ 70 per share

#### \* At higher price band

#### 6. Comparison with listed industry peers

Following is the comparison with our peer group companies listed in India:

Name of the Company	Revenue from operations (₹ in Lakhs)	Face Value (₹)	P/E	EPS (Basic) (₹)	Return on Net Worth (%)	NAV per share (₹)
Annapurna Swadisht Limited	6,104.66	10.00	[●]	3.44	31.89	10.79
Peer Group						
Prataap Snacks Limited	1,38,309.77	5.00	644.52	1.24	0.47	266.17
DFM Foods Limited	55,445.00	2.00	(72.57)	(4.93)	(16.02)	30.38
Britannia Industries Limited	13,94,467.00	1.00	58.49	63.31	58.63	107.34

For Further details, please see the chapter titled "Basis for Issue Price" beginning on page 74 of the RHP

## BID / ISSUE PROGRAMME

ANCHOR INVESTOR BIDDING DATE : WEDNESDAY, SEPTEMBER 14, 2022

BID/ISSUE OPENS ON: THURSDAY, SEPTEMBER 15, 2022

BID/ISSUE CLOSES ON: MONDAY, SEPTEMBER 19, 2022

\*Our Company may, In consultation with the BRLM, consider participation by Anchor investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of syndicate members.

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the Sponsoring Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" beginning on page 215 of this Red Herring Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE:** The face value of the Equity Shares is ₹ 10 per Equity Share. The Floor Price, the Cap Price and the Offer Price (as determined by our Company in consultation with the BRLM), on the basis of the assessment of market demand for the Equity Shares by way of the book building process, as stated in "Basis for Offer Price" beginning on page 74, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AS REGARDS ITS OBJECTS:** For information on the main objects and other objects of our Company, see "History and Certain Corporate Matters" on page 116 of the Red Herring Prospectus and Clause III of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Issue. For further details, see the section "Material Contracts and Documents for Inspection" on page 274 of the Red Herring Prospectus.

**LIABILITY OF MEMBERS AS PER MOA:** The Liability of the members of the Company is limited by shares.

**AMOUNT OF SHARE CAPITAL OF THE COMPANY AND CAPITAL STRUCTURE:** The Authorized share capital of the Company is Rs 18,00,00,000 divided into 1,80,00,000 Equity Shares of ₹ 10 each. The issued, subscribed and paid-up share capital of the Company before the Issue is Rs 12, 10,00,000 divided into 1,21,00,000 equity shares of Rs. 10 each. For details of the Capital Structure, see "Capital Structure" on the page 54 of the Red Herring Prospectus.

**NAMES OF THE SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM:**

Given below are the names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed by them at the time of signing of the Memorandum of Association of our Company:

Name of the subscriber	No. of shares subscribed
Mr. Ritesh Shaw	90,000
Mr. Nirmal Kumar Bhakat	10,000

Details of the main objects of the Company as contained in the Memorandum of Association see "History and Certain Corporate Matters" on page 116 of Red Herring Prospectus. For details of the share capital and capital structure of the Company see "Capital Structure" on page 54 of the Red Herring Prospectus

**LISTING:** The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India (NSE Emerge). Our Company has received an In Principal Approval from the NSE for the listing of the Equity Shares pursuant to letters dated September 01, 2022.

A signed copy of the Prospectus shall be delivered for registration to the ROC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 274 of the Red Herring Prospectus

#### DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NSE

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/1775 dated September 01, 2022, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

**RISK IN RELATION TO THE FIRST ISSUE:** The face value of the Equity Shares is ₹ 10 per Equity Share. The Floor Price, the Cap Price and the Offer Price (as determined by our Company in consultation with the BRLM), on the basis of the assessment of market demand for the Equity Shares by way of the book building process, as stated in "Basis for Offer Price" beginning on page 74, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

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