



GOYAL SALT LIMITED

Corporate Identity Number: U24298RJ2010PLC033409

Our Company was originally incorporated as a Private Limited Company in the name of “Goyal Salt Private Limited” under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated November 26, 2010 issued by Registrar of Companies, Rajasthan bearing Corporate Identification Number U24298RJ2010PTC033409. Subsequently, our company was converted into Public Limited Company vide shareholders resolution passed at the Extra-Ordinary General Meeting held on April 29, 2023 and name of company was changed to “Goyal Salt Limited” pursuant to issuance of Fresh Certification of Incorporation dated May 18, 2023 by Registrar of Companies, Jaipur bearing Corporate Identification Number U24298RJ2010PLC033409. For details of Incorporation, Change of Name and Registered Office of our company, please refer to chapter titled “Our History and Certain Other Corporate Matters” beginning on page [●].

**Registered and Corporate Office:** Plot No.229-230, Guru Jambheshwar Nagar, Lane No.7 Gandhi Path, Vaishali Nagar, Jaipur Rajasthan 302021 India  
**Tel. No.:** +91 - 9116544419, **E-mail:** [info@goyalsalt.in](mailto:info@goyalsalt.in), **Website:** [www.goyalsaltltd.com](http://www.goyalsaltltd.com)  
**Contact Person:** Jayanti Jha Roda, Company Secretary and Compliance Officer

**PROMOTERS OF OUR COMPANY: MR. RAJESH GOYAL, MR. PRAMESH GOYAL, MR. LOKESH GOYAL, MS. RADHIKA GOYAL, MS. PRIYANKA GOYAL, MS. REKHA GOYAL, KUNJ BIHARI GOYAL (HUF), RAJESH GOYAL (HUF), PARMESH GOYAL (HUF), LOKESH GOYAL (HUF)**

**ADDENDUM TO THE DRAFT RED HERRING PROSPECTUS DATED JULY 31, 2023: NOTICE TO THE INVESTORS (“THE ADDENDUM”)**

INITIAL PUBLIC OFFER OF UPTO 49,02,000 EQUITY SHARES OF FACE VALUE OF Rs. 10/- EACH (“EQUITY SHARES”) OF GOYAL SALT LIMITED (“OUR COMPANY” OR “COMPANY” OR “ISSUER”) FOR CASH AT A PRICE OF Rs. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF Rs. [●] PER EQUITY SHARE), AGGREGATING UPTO Rs. LAKHS\* (“THE ISSUE”), COMPRISING A FRESH ISSUE OF UP TO 49,02,000 EQUITY SHARES AGGREGATING UP TO Rs. [●] LAKHS (“FRESH ISSUE”). THIS ISSUE INCLUDES A RESERVATION OF UP TO 2,46,000 EQUITY SHARES AGGREGATING UP TO Rs. [●] LAKHS (CONSTITUTING UP TO [●] % OF THE POST-ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR SUBSCRIPTION BY THE MARKET MAKER (“MARKET MAKER RESERVATION PORTION”) AND RESERVATION OF UP TO 90,000 EQUITY SHARES, AGGREGATING TO Rs. [●] (CONSTITUTING UP TO [●] % OF THE POST-ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR SUBSCRIPTION BY THE ELIGIBLE EMPLOYEES (THE “EMPLOYEES RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION AND THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] % RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Potential Bidders may note the following:

1. The Draft Red Herring Prospectus dated **July 31, 2023** has been updated to include the details as per the observations received by National Stock Exchange of India Limited. In consequences to such observations, the relevant portions of the chapters namely “*Definition and Abbreviations*”, “*Risk Factors*”, “*Introduction- Objects of the Issue*”, “*About the Company – Our Business*” and “*Legal and Other Information – Outstanding Litigation and Material Developments*” has also been updated.
2. The Chapter titled “*Definition and Abbreviations*” beginning on page 3 of the Draft Red Herring Prospectus has been updated with addition and modification of a Definition.
3. The Chapter titled “*Risk Factors*” beginning on page 32 of the Draft Red Herring Prospectus has been updated with addition, shifting and modification of certain risk factors.
4. The Chapter titled “*Objects of the Issue*” beginning on page 99 of the Draft Red Herring Prospectus has been updated with certain addition for the explanation of the objects.
5. The Chapter titled “*Our Business*” beginning on page 145 of the Draft Red Herring Prospectus has been updated with certain points and languages in certain paragraphs.
6. The Chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 272 of the Draft Red Herring Prospectus has been updated to include the updated status of litigation and summary of Tax Proceedings.
7. Please note that all other details in, and updates to the Red Herring Prospectus and the Prospectus with respect to financial information of the Company, Issue Price and/or other relevant details will be carried out in the Red Herring Prospectus and the Prospectus, as and when filed with ROC, SEBI and the Stock Exchange.

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

For and on behalf of Goyal Salt Limited

Sd/-

Place: Jaipur

Date: September 13, 2023

Jayanti Jha Roda

Company Secretary and Compliance Officer

**BOOK RUNNING LEAD MANAGER TO THE ISSUE**

**REGISTRAR TO THE ISSUE**



**HOLANI CONSULTANTS PRIVATE LIMITED**

401 – 405 & 416 – 418, 4<sup>th</sup> Floor, Soni Paris Point,  
Jai Singh Highway, Bani Park, Jaipur-302016

**Tel.:** +91 0141 – 2203996

**Fax:** +91 0141 – 2201259

**Website:** [www.holaniconsultants.co.in](http://www.holaniconsultants.co.in)

**Email:** [ipo@holaniconsultants.co.in](mailto:ipo@holaniconsultants.co.in)

**Investor Grievance ID:** [complaints.redressal@holaniconsultants.co.in](mailto:complaints.redressal@holaniconsultants.co.in)

**Contact Person:** Mrs. Payal Jain

**SEBI Registration Number:** INM000012467

**BIGSHARE SERVICES PRIVATE LIMITED**

Office No. S-2, 6<sup>th</sup> Floor, Pinnacle Business Park, Mahakali Caves Road,  
Next to Ahura Centre, Andheri (East), Mumbai – 400093

**Tel:** +91 022-6263 8200

**Fax:** +91 022-6263 8299

**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)

**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

**Investor Grievance ID:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**Contact Person:** Mr. Babu Rapheal C.

**SEBI Registration Number:** INR000001385

**ISSUE PROGRAMME**

**ANCHOR INVESTOR BIDDING DATE: [●]**

**BID / ISSUE OPENS ON: [●]**

**BID / ISSUE CLOSES ON: [●]**

## TABLE OF CONTENTS

<b>SECTION I – GENERAL</b>	
<u>DEFINITION AND ABBREVIATION</u>	<b>2</b>
<b>SECTION III – RISK FACTORS</b>	<b>3</b>
<b>SECTION IV – INTRODUCTION</b>	
<u>OBJECTS OF THE ISSUE</u>	<b>9</b>
<b>SECTION V – ABOUT THE COMPANY</b>	
<u>OUR BUSINESS</u>	<b>16</b>
<b>SECTION VII – LEGAL AND OTHER INFORMATION</b>	
<u>OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS</u>	<b>21</b>
<b>SECTION X – OTHER INFORMATION</b>	
<u>DECLARATION</u>	<b>24</b>

**SECTION I: GENERAL**

**DEFINITIONS AND ABBREVIATIONS**

**Conventional and General Terms or Abbreviations:**

<b>Term</b>	<b>Description</b>
"HP"	Horsepower

## SECTION – III

### RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Red Herring Prospectus and the Red Herring Prospectus, when available, particularly the “Our Business”, “Our Industry” “Financial Statements as Restated” and related notes thereon and “Management Discussions and Analysis of Financial Condition and Results of Operations” on page [●], [●], [●] and [●] respectively and the risks and uncertainties described below, before making an investment in the Equity Shares. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse impact on our business, results of operations, cash flows and financial condition. If any or a combination of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition may be adversely affected, the price of the Equity Shares could decline, and you may lose all or part of your investment.*

*In making an investment decision, as prospective investors, you must rely on your own examination of us and the terms of the offer, including the merits and the risks involved. You should consult your tax, financial, legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. To obtain a complete understanding of our business, you should read this section in conjunction with the sections titled “Our Industry”, “Our Business”, and “Financial Statements as Restated” beginning on pages [●], [●] and [●], respectively, as well as the other financial and statistical information contained in this Red Herring Prospectus.*

*This Red Herring Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the considerations described in this section and elsewhere in this Red Herring Prospectus.*

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the offer, including the merits and the risks involved. You should not invest in this offer unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.*

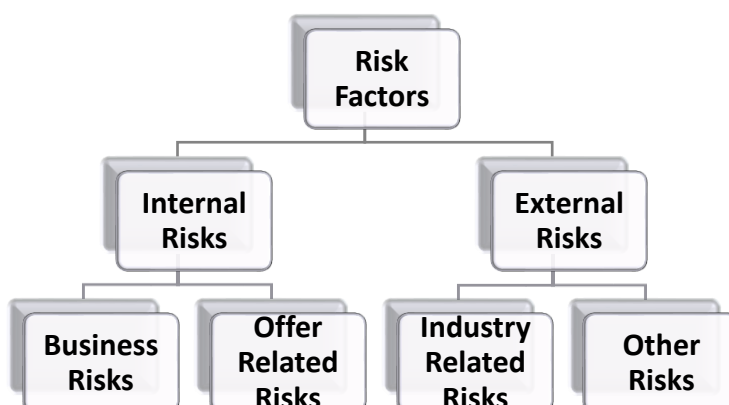
*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to “we”, “us” “our” refers to our Company together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

*Unless otherwise stated, the financial information of our Company used in this section is derived from our audited financial statements under Indian GAAP, as restated.*

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

- Some events may not be material individually but may be found material collectively.
- Some events may have material impact qualitatively instead of quantitatively.
- Some events may not be material at present but may be having material impact in future.

The risk factors are classified as under for the sake of better clarity and increased understanding:



## INTERNAL RISKS FACTORS

### Business Specific/ Company specific Risk

1. **We have in the past entered into transactions with related parties and may continue to do so in the future. These or any future related party transactions may potentially involve conflicts of interest and there can be no assurance that we could not have achieved better terms, had such arrangements been entered into with unrelated parties.**

The table below provides summary of transactions from related parties during the last 3 fiscal years ended on March 31, 2023, March 31, 2022, and March 31, 2021:

*(Amount in Lakhs)*

Nature of Transactions	For the year ended March 31, 2023			For the year ended March 31, 2022			For the year ended March 31, 2021		
	Related Party Transaction	Total Transaction	% of Related party to Total Transaction	Related Party Transaction	Total Transaction	% of Related party to Total Transaction	Related Party Transaction	Total Transaction	% of Related party to Total Transaction
Purchase	4,509.73	9,348.71	48.24	1,883.40	4,942.59	38.11	731.58	45,33.43	16.14
Sale	1,369.83	11,764.19	11.64	766.89	6,611.09	11.60	1,083.14	6,005.30	18.04
Rent	7.50	7.50	100.00	7.50	7.50	100.00	13.56	13.56	100.00
Interest	17.97	106.49	16.87	16.18	100.17	16.15	28.85	111.89	25.78
Director Remuneration and Salary (including Bonus)	20.16	242.82	8.30	24.75	241.27	10.26	24.75	237.66	10.41
Weighing Machine Expenses	17.39	17.39	100.00	-	-	-	-	-	-

For further details in relation to transactions with related parties, please refer to the section entitled **“Related Party Transactions”** on page 208. We have entered into various transactions with related parties, including the purchase and sale of goods and services from time to time. While we confirm that these related party transactions entered into by us, were in compliance with the Companies

Act, 2013 as amended and other applicable laws, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. Although upon listing of our Equity Shares pursuant to the issue, all related party transactions that we may enter into, will be subject to the requirements of the Companies Act, 2013 and the SEBI Listing Regulations, there can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not achieve more favorable terms if such transactions had not been entered into with related parties. Such related party transactions may potentially involve conflicts of interest.

There is no assurance that our related party transactions in future would be on terms favorable to us when compared to similar transactions with unrelated or third parties or that our related party transactions, individually or in the aggregate, will not have an adverse effect on our financial condition. For details, see ***“Restated Financial Statements – Annexure - 31: Related Party Transaction”*** on page 238-239.

- 2. Within the parameters as mentioned in the chapter titled ‘Objects of the Issue’ beginning on page 99, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.***

We intend to use Issue Proceeds towards Capital Expenditure for Quality Enhancement, Brand Creation and Marketing Expenses, Funding the Working Capital Requirements, General Corporate Purposes and to meet Issue expenses. We intend to deploy the Net Issue Proceeds in FY 2023-24. Such deployment is based on certain assumptions and strategy which our Company believes to implement in near future. The funds raised from the Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled ***“Objects of the Issue”*** beginning on page 99.

The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled ***“Objects of the Issue”*** beginning on page 99, the Management of the Company will have significant flexibility in applying the proceeds received by our Company from the Issue.

However, the Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. However, in accordance with Section 27 of the Companies Act, 2013, a company shall not vary the objects of the issue without our Company being authorized to do so by our shareholders by way of special resolution and other compliances in this regard.

- 3. Non-Compliance with and changes in safety, health and environmental laws, labour laws and other applicable regulations may adversely affect our business, prospects, financial condition and results of operations. Further, we may not be able to renew or maintain our statutory and regulatory permits and approvals required to operate our business.***

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose control on air and water discharge, processing, handling, storage and other aspects of our refining operations. Also, the purpose of these laws is to ensure safe workplace for the workmen, social justice and social security to the worker and his family. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant government agencies that are

necessary for us to carry on our business. For further details of the key regulations applicable to our business, please see section titled “**Key Industry Regulations and policies**” on page 168. We cannot assure you that we will not be found to be in non-compliance with, or remain in compliance with all applicable environmental, health and safety and labour laws and regulations or the terms and conditions of any consents or permits in the future that such compliance will not result in a curtailment of production, or a material increase in the costs of production.

We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. These laws and regulations are stringent to pursue and can become more stringent to follow in future.

Also, the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted and hence the costs and management time required to comply with these requirements could be significant. Amendments to such statutes may impose additional provisions to be followed by our Company and accordingly the Company needs to incur clean-up and remediation costs, as well as damages, payment of fines or other penalties, closure of refining facilities for non-compliance, other liabilities and related litigation, could adversely affect our business, prospects, financial condition and results of operations.

**4. There have been certain inadvertent inaccuracies, delay and non-compliances with respect to certain regulatory filings and corporate actions taken by our Company. Consequently, we may be subject to regulatory actions and penalties for any past or future non-compliance and our business and financial condition may be adversely affected.**

Our Company has encountered certain inadvertent inaccuracies, delays, and non-compliances concerning regulatory filings and corporate actions in the past. As a result, we may face regulatory actions and penalties for any historical or future non-compliance, potentially adversely impacting our business and financial condition.

Notably, there were cases of delayed filing of statutory forms under the Companies Act with the Registrar of Companies (RoC), which were subsequently rectified by paying additional fees. These delays occurred due to inadvertent reasons and ranged from 1 to 169 days.

The details of Delayed filings are as follows:

S. No.	Description of Form	Date of event	Due Date	Date of filing	Delay (No. of Days)	Reason for delay
1	Form 23AC for filing Financial Statement for the F.Y. 2010-11	31.08.2011	30.09.2011	15.10.2011	15	Inadvertent
2	MGT - 14 for passing Board Resolution	18.08.2014	17.09.2014	07.10.2014	20	Inadvertent
3	MGT - 14 for passing Board Resolution	23.01.2017	22.02.2017	27.02.2017	5	Inadvertent
4	Form AOC - 4 for filing Financial Statement for the F.Y. 2017-18	29.09.2018	29.10.2018	30.10.2018	1	Inadvertent
5	DPT - 3 for deposit (Form CFSS filed for delay of filing)	31.03.2020	31.05.2020	20.08.2020	81	Inadvertent
6	Form AOC - 4 for filing Financial Statement for the F.Y. 2021-22	30.09.2022	30.10.2022	31.10.2022	1	Inadvertent
7	Form INC - 27 for conversion of company from private to limited	29.04.2023	14.05.2023	17.05.2023	3	Inadvertent
8	MGT - 14 for Board Resolution for IPO	18.05.2023	17.06.2023	18.06.2023	1	inadvertent
9	BEN - 2 for disclosure of Significant Beneficial Ownership	30.12.2022	29.01.2023	18.07.2023	169	inadvertent

Details of erroneous filings of statutory forms with RoC:

S. No.	Details of Error	Date of Filing	ROC Form
1.	The appointment details of Lokesh Goyal as a Non-Executive Director were filed inaccurately	25.02.2015	DIR - 12

Our Company has rectified the same by passing a Shareholder's Resolution in this regard in the Annual General Meeting of the Company dated 21.09.2016 and his appointment has been regularised as a Whole-Time Director of the Company by filing the updated DIR-12 form.

As of now, our Company has rectified these errors by filing the updated forms and payment of requisite additional fees. However, there is no assurance that such discrepancies will not occur in the future, and we may be subject to regulatory actions and penalties, which could adversely affect our business operations and financial position.

**5. *Failure to engage a digital marketing agency may have adverse effects on our company's brand value, which could subsequently harm our goodwill and potentially diminish our sales performance.***

Our Company has secured an exclusive agreement with the renowned Bollywood actress, Karishma Kapoor, to serve as its brand ambassador. This association is intended to leverage the widespread popularity and appeal of Ms. Kapoor to connect with a broader consumer base, especially in urban and semi-urban areas. The partnership with Ms. Karishma Kapoor is expected to amplify the company's marketing efforts and significantly increase its visibility across various digital platforms channels, including social and digital media.

We will be hiring a digital marketing agency to create and execute a comprehensive social media advertising campaign on various platforms such as Instagram, Facebook, WhatsApp and twitter so that we will reach our target audience and drive brand awareness and engagement. The agency will work with us to develop a creative and engaging campaign that aligns with our brand identity and messaging. we are currently in the process of creating a request for proposal and distributing it to a selected agency.

Failure to engage a digital marketing agency may have adverse harm our goodwill and potentially diminish our sales performance. Further we will not be able to create our brand image and to execute our plans or strategies of enter into B2C segment of the market, to enter into the new geographies and to enhance our sales. The absence of a digital marketing agency could hinder our ability to design and execute an all-encompassing social media advertising campaign, reaching our intended audience and strengthening brand creation. This shortfall could lead to lost sales, reduced market presence, and harm to our brand creation.

The consequences of not engaging a digital marketing agency are not limited to resource wastage—both financial and human—but also extend to the potential advantage gained by competitors who utilize such agencies for more efficient campaigns and for the enhancement and creation their brands. These issues can negatively impact our profitability and hinder our ability to attract new customers and partners.

To mitigate this risk, we are currently in the process of developing a plan to hire a digital marketing agency. Our strategy involves creating a request for proposal and distributing it to a selected agency. Following the evaluation of proposals, we will select the agency best suited to our needs and collaborate with them to develop a comprehensive social media advertising campaign.



6. ***Our company relies significantly on third party suppliers for 37.85%, 24.06% and 11.39% for the financial year ended on 2022-23, 2021-22 and 2020-21 of total sales revenue. We do not have any formal arrangement with such third parties, and any disruptions at such third-party production or manufacturing facilities, or failure of such third parties to adhere to the relevant quality standards or fluctuations in pricing may have a negative effect on our reputation, business and financial condition.***

Our company purchases refined salt from 3<sup>rd</sup> party sources and sells the same under its name. The revenue bifurcation for such sales is provided in the table below for the periods ending on March 31, 2023, 2022, and 2021.

*(Amount in lakhs)*

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022		For the year ended March 31, 2021	
	Amount	%	Amount	%	Amount	%
Trading Sales of Refined Free Flow Iodized Salt	4,452.15	37.85%	1,590.82	24.06%	684.28	11.39%
<b>Total Revenue</b>	<b>11,764.19</b>	<b>100%</b>	<b>6,611.09</b>	<b>100%</b>	<b>6,005.30</b>	<b>100%</b>

*Note: Pursuant to the certificate dated September 02, 2023, issued by our statutory auditor of the company, M/s. Arvind R Agrawal & Co., Chartered Accountants.*

Our company heavily relies on third-party suppliers, accounting for 37.85% of our total sales revenue. Although this approach has its advantages, such as cost efficiencies and access to specialized products, it also exposes us to significant risks that could adversely impact our operations, financial performance, and reputation.

These risks encompass potential supply disruptions beyond our control, ranging from natural disasters and geopolitical events to manufacturing issues at supplier facilities, potentially resulting in delays and increased production costs. Additionally, maintaining consistent product quality and ensuring supplier adherence to our standards is challenging. Quality issues could lead to customer dissatisfaction, recalls, and legal liabilities.

Price volatility is another concern, as third-party suppliers may adjust pricing and terms in response to market dynamics, affecting our profitability and margins. Our limited control over these suppliers' operations could hinder our ability to adapt to changing market conditions and regulatory requirements.

Moreover, any controversies, ethical problems, or legal disputes involving our suppliers could tarnish our reputation, eroding customer trust and loyalty. Regulatory changes or compliance issues related to supplier operations might lead to disruptions, added costs, or legal liabilities for our company.

To mitigate these risks, we actively monitor supplier performance, maintain contingency plans for supply chain disruptions, and explore diversification of our supplier base. However, there is no absolute assurance that these measures will completely eliminate the risks associated with our reliance on third-party suppliers, and the potential for future challenges remains a concern.

## SECTION – IV INTRODUCTION

### OBJECTS OF THE ISSUE

#### DETAILS OF THE OBJECTS OF THE ISSUE

The details in relation to the objects of the Issue are set forth herein below.

#### 1. Capital Expenditure for Quality Enhancement.

Our Company proposes to utilise an estimated amount of up to Rs. 113.18 lakhs from the Net Proceeds towards capital expenditure on acquisition of colour sorting machines and its allied components to strategically enhance the quality of its products. This capital expenditure intends to improve the purity of our salt products while revolutionizing the salt refining process. The machines will enable the sorting of individual items on a production line by colour. The machine will be equipped with high resolution optical sensors to identify unwanted items from the main line. Our company with the introduction of this machine in the refining process will be able to generate salt of white colour of highest grade which will eventually increase our product quality and selling prices.

The capital expenditure although will not increase our refining capacity in any manner however with the introduction of cutting-edge technology and modern equipment it will increase our Company's competitiveness in the industry, enabling our company to produce premium-grade salt that adheres to the most stringent quality standards. The enhanced refining capabilities are expected to drive operational efficiency and increase refining quality. We are committed to delivering exceptional value to our customers, and this strategic investment will further solidify our position as a leader in the salt refining market.

A detailed breakup of estimated cost which are proposed to be funded from the Net Issue Proceeds is set forth below:

S. No.	Particulars	Make	Quantity	Date of Quotation	Date of Placement of Order	Expected Delivery Time	Amount in Lakhs #	Supplier Name
1.	12 Chute Salt Color Sorter Machine	TAIHO	2	June 15, 2023	June 26, 2023	Nov., 2023	79.08	SLMET Processing Private Limited
2	600 MM Belt Conveyor (60 Feet) with 3HP Electric Motor	Fabricated	1	June 20, 2023	June 26, 2023	Nov., 2023	2.97	R. K. Engineering Works
3	600 MM Belt Conveyor (50 Feet) with 3HP Electric Motor		1				2.48	
4	800 MM x 400 MM Bucket Elevator (26 Feet) with 7.5 HP Electric Motor		1				4.76	
5	800 MM x 400 MM Bucket Elevator (16 Feet) with 7.5 HP Electric Motor		1				2.93	
6	600 MM x 300 MM Bucket Elevator (28 Feet) with 5 HP Electric Motor		1				3.63	
7	350 MM Screw Conveyor (14 Feet) with 5 HP Motor		2				4.11	
8	300 MM Screw Conveyor (14 Feet) with 5 HP Motor		1				1.71	

S. No.	Particulars	Make	Quantity	Date of Quotation	Date of Placement of Order	Expected Delivery Time	Amount in Lakhs #	Supplier Name
9	3 MM Storage Siylo with its fitting charges		1				4.01	
10	Transportation Charges		-	-			2.50	
10	Civil Works i.e., Foundation and Installation of Sorte Machine	-	1	July 19, 2023	June 20, 2023	Nov., 2023	5.00	Diamond Construction
	<b>Total</b>						<b>110.68</b>	

# Amount is inclusive of GST.

We confirm that all the equipment proposed to be bought as per our objects to issue shall be new and no second-hand equipment shall be bought.

#### **The Key Features of the 12 Chute Salt Color Sorte Machine:**

The 12 Chute Salt Colour Sort Machine is a piece of equipment that uses advanced technology to automate the process of sorting salt crystals based on their colour and other visual characteristics. It has twelve separate chutes through which salt crystals flow, allowing for efficient sorting of a large volume of salt. The machine also has high-resolution optical sensors that capture detailed images of salt crystals, and advanced image processing software that analyses the data collected by the optical sensors to determine the colour and quality of each salt crystal. Based on this analysis, the machine uses an air ejection system to selectively remove salt crystals that do not meet the desired colour or quality standards. The machine also has a touchscreen interface that allows operators to monitor and control the sorting process, adjust settings, and access data about the sorted batches. Additionally, the machine can be programmed to sort salt crystals according to specific colour parameters, making it flexible to match the desired final product specifications.

## **2. Brand Creation and Marketing Expenses**

Our Company proposes to utilise Rs. 106.30 Lakhs towards Brand Creation and Marketing Expenses segment to strengthen the company's brand identity and expand its market presence. The importance of building a strong brand identity in the fiercely competitive consumer products sector is acknowledged by our company. By allocating a portion of the funds raised through this public offering towards brand creation and marketing initiatives, the company aims to enhance its brand recognition, create a unique brand persona, and foster consumer loyalty.

As part of its brand creation strategy, our Company has secured an exclusive agreement with the renowned Bollywood actress, Karishma Kapoor, to serve as its brand ambassador. This association is intended to leverage the widespread popularity and appeal of Ms. Kapoor to connect with a broader consumer base, especially in urban and semi-urban areas. The partnership with Ms. Karishma Kapoor is expected to amplify the company's marketing efforts and significantly increase its visibility across various digital platforms channels, including social and digital media. We will be hiring a digital marketing agency to create and execute a comprehensive social media advertising campaign on various platforms such as Instagram, Facebook, WhatsApp and twitter so that we will reach our target audience and drive brand awareness and engagement. The agency will work with us to develop a creative and engaging campaign that aligns with our brand identity and messaging. This partnership will help us to achieve our marketing goals and reach our target audience more effectively.

The comprehensive breakdown of expenses for our brand strengthening and marketing initiatives is as follows:

S.No.	Particulars	Amount (Rs. in lakhs)
1	Brand Ambassador	41.30
2	Production Charges	40.00
3	Advertisement Charges	25.00
	<b>Total</b>	<b>106.30</b>

By investing in brand creation and marketing, our Company aims to solidify its position as a trusted and preferred choice among consumers, drive product sales, and pave the way for sustainable growth and long-term success in the market. The company's strategic focus on building a compelling brand identity and harnessing the influence of Ms. Karishma Kapoor as a brand ambassador reflects its commitment to delivering high-quality products and creating a lasting impact in the ever-evolving consumer landscape.

### 3. Funding working capital requirements of our Company.

We fund our working capital requirements in the ordinary course of our business from our internal accruals, net worth and financing from various banks and financial institutions. Based on the Restated Financials of the company as on March 31, 2023, the company expects to increase its turnover by the end of FY 2023-24. Increased turnover will lead to higher investments in inventories and receivables. Therefore, our company will require additional funds for meeting its incremental working capital requirements.

Our Company's existing working capital requirement and funding on the basis of Restated Financial Statements for fiscal year 2022-23, 2021-22 and 2020-21 are as stated below:

<i>(Amount in Lakhs)</i>				
S. No.	Particulars	March 31, 2023	March 31, 2022	March 31, 2021
<b>A.</b>	<b>Current Assets</b>			
1.	Inventory			
	– Raw Materials	344.08	345.69	359.90
	– Finished Goods	110.42	171.64	119.06
2.	Trade Receivables	1,556.94	1,424.49	1,371.75
3.	Other Financial and current assets	242.97	165.63	316.44
	<b>Total Current Assets</b>	<b>2,254.41</b>	<b>2,107.45</b>	<b>2,167.15</b>
<b>B.</b>	<b>Current Liabilities</b>			
1.	Trade payables	270.59	435.05	265.54
2.	Advance from Customers	2.43	-	2.28
3.	Other Financial and Current Liabilities	175.31	54.24	121.23
	<b>Total Current Liabilities</b>	<b>448.33</b>	<b>489.29</b>	<b>389.05</b>
<b>C.</b>	<b>Working Capital Gap</b>	<b>1,806.08</b>	<b>1,618.16</b>	<b>1,778.10</b>
<b>D.</b>	<b>Means of Finance</b>			
1.	External Borrowings			
	– Working Capital Limits from Banks and financial Institutions	920.11	922.30	1,110.20
2.	Net worth / Internal Accruals	885.97	695.86	667.90

## Basis of estimation of working capital requirement

On the basis of existing and estimated working capital requirement of our Company and assumptions for such working capital requirements, our Board pursuant to its resolution dated **July 26, 2023**, has approved the projected working capital requirements for FY 2023-24 and FY 2024-25 and the proposed funding of such working capital requirements as set forth below:

*(Amount in Lakhs)*

S. No.	Particulars	March 31, 2024 (Projected)	March 31, 2025 (Projected)
<b>A.</b>	<b>Current Assets</b>		
1.	Inventory		
	– Raw Materials	470.00	505.00
	– Finished Goods	275.00	290.00
2.	Trade Receivables	2,560.00	2,740.00
3.	Other Financial and Current Assets	602.77	723.00
	<b>Total Current Assets</b>	<b>3,907.77</b>	<b>4,258.00</b>
<b>B.</b>	<b>Current Liabilities</b>		
1.	Trade payables	20.00	22.00
2.	Advance from Customers	2.01	1.98
3.	Other Financial and Current Liabilities	166.75	168.00
	<b>Total Current Liabilities</b>	<b>188.76</b>	<b>191.98</b>
<b>C.</b>	<b>Working Capital Requirements</b>	<b>3,719.01</b>	<b>4,066.02</b>
<b>D.</b>	<b>Funding Pattern</b>		
1.	External Borrowings		
	– Working Capital Limits from Banks and financial Institutions	1,300.00	1,300.00
	– Other Short-term Borrowings	-	-
	– Long term bank borrowings used for funding working capital requirements	-	-
2.	Networth	1,351.70	2,766.02
3.	IPO Proceeds	1,067.31	-

*\*Pursuant to the certificate dated July 26, 2023, issued by Peer Review Auditors of the company, M/s R.K. Malpani & Associates, Chartered Accountants.*

## Assumptions of Working Capital requirement

Our company in its history has first time achieved the sales of more than Rs.100 Cr since the incorporation. The main reasons for such rise in the turnover on account of supply of salts under the various govt sponsored welfare schemes run by various State Governments namely UP State Governments, Jharkhand State Governments and MP State Governments by our company for the first time. Details of sale made to them under these welfare schemes is as under:

*(Amount in Lakhs)*

S. No.	Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022		For the year ended March 31, 2021	
		Amount	%	Amount	%	Amount	%
1.	Director Food, Civil Supply & Consumer (Jharkhand Govt)	1889.40	16.06%	-	-	-	-
2.	MP State Civil Suppliers Corp Ltd. (MP Govt)	1445.64	12.29%	-	-	-	-
3.	National Agriculture Co-Operative Marketing	631.54	5.37%	1520.14	22.99%	-	-

S. No.	Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022		For the year ended March 31, 2021	
		Amount	%	Amount	%	Amount	%
	Federation of India Ltd (UP Govt)						
	<b>Total</b>	<b>3966.58</b>	<b>33.72%</b>	<b>1520.14</b>	<b>22.99%</b>	-	-

Note: Pursuant to the certificate dated July 31, 2023, issued by Peer Review Auditors of the company, M/s R.K. Malpani & Associates, Chartered Accountants.

The revenue of the company due to these supplies has increased from Rs.6611.09 lakhs to 11764.19 Lakhs. Even though the turnover of the company increased by 100%, the investment of the company in working capital remained the same, when compared with last two financials years under consideration. This increased turnover coupled with same investment in the working capital has resulted in decrease in working capital cycle (In days) of the company in significant manner with reductions in holding of inventories and trade receivables. This is evident in the table below:

*(Approximate holding Period in days)*

Particulars	FY 2020-21 (Actual Restated)	FY 2021-22 (Actual Restated)	FY 2022-23 (Actual Restated)
<b>Current Assets:</b>			
Inventories: -			
– Raw Material	24	34	22
– Finished goods	6	9	5
Trade Receivables	67	77	46
<b>Current Liabilities:</b>			
Trade payables	13	26	14
<b>Net working Capital Cycle</b>	<b>84</b>	<b>94</b>	<b>59</b>

*(30 days in a month have been considered)*

This is peculiar financial year for the company wherein all the State Governments were giving orders for supply on urgent basis and making the payment of our supplied on the immediate basis for the personal interests. With speedy supply and fast payments our company was able to double its turnover (100% rise) on the same amount of the working capital which is not possible in normal operating conditions.

While estimating our working capital requirements for the coming years namely FY 2024 and FY 2025 we have assumed the normal industry accepted holding levels for inventories and trade receivables rather than anticipating on any remarkable year. Further also, now the state governments have started supply of salts on regular basis in their welfare schemes and have various suppliers to supply them, therefore they are not in hurry to buy and payments are also done on normal basis of two months credit period. We have looking after these trends have estimated the holding of inventories and trade receivables on last three-year average basis which is demonstrated below:

*(Approximate holding Period in days)*

Particulars	FY 2020-21 (Actual Restated)	FY 2021-22 (Actual Restated)	FY 2022-23 (Actual Restated)	FY 2023-24 (Estimated)	FY 2024-25 (Projected)
<b>Current Assets:</b>					
Inventories: -					
– Raw Material	24	34	22	25	28
– Finished goods	6	9	5	6	9
Trade Receivables	67	77	46	61	73
<b>Current Liabilities:</b>					
Trade payables	13	26	14	5	1
<b>Net working Capital Cycle</b>	<b>84</b>	<b>94</b>	<b>59</b>	<b>87</b>	<b>110</b>

## Justification of holding period levels:

The detailed rationale and justification for increase in working capital in the Projected FY 24 and 25 are as follows:

Particulars	Justification for Holding Levels
Inventories:	<p><b>Raw material:</b> Our Company procures raw material which is essential for our refinery. In the FY 2020-21, 2021-22 and 2022-23, our Company maintained raw material inventory levels for 24 days, 34 days and 22 days respectively.</p> <p>Raw materials are majorly procured from our promoters and from the open market suppliers with whom our Company has long standing business relationships. Hence, the materials are available as and when required. This ensures minimum lead time and smooth functioning of the refining process. Therefore, our Company plans to maintain the holding levels to 25 days for FY 2023-24 and 28 days for FY 2024-25. The levels projected by us for FY 24 &amp; FY 25 are projected on the basis of past trends only.</p> <p><b>Finished Goods:</b> In FY 2020-21, 2021-22 and 2022-23, our Company maintained finished goods inventory levels for 6 days, 9 days and 5 days respectively. Historically, we have kept stock of finished goods between 5-9 days according to the demand pattern of our products. Thus, we estimate finished goods inventory days at similar levels to 6 days in FY 2023-24 and 9 days for FY 2024-25.</p>
Trade Receivables	<p>Trade receivables form major part of the working capital cycle of salt industry. Historically they have typically ranged from 46-77 days. With the improvements in the quality and brand promotions and our company strategy to expand into new geographies and penetrate Business to Consumer (B2C) markets, the sales of our company are bound to increase. Increase in sales will lead to more investment in trade receivables and thereby leading to increase in working capital. We have estimated the holding level for trade receivables as 61 days in the fiscal year 2024 and 73 days for FY 2024-25 in line with industry trends and our past trends.</p> <p>The explanation with respect to the strategy of entering into B2C Market Segment and to expand into new geographies is as under:</p> <p>(i) <b>Expansion into the B2C Market Segment:</b> During FY 24, our company is strategically venturing into the Business-to-Consumer (B2C) market segment. To effectively tap into this market, we have undertaken several initiatives:</p> <ul style="list-style-type: none"> <li>➤ <b>Redesigned Packaging:</b> We have revamped our product packaging to align with the preferences of B2C consumers. The new packaging not only enhances the visual appeal but also meets the quality standards expected by high-end consumers.</li> <li>➤ <b>Targeting Upper- and Middle-Class Communities:</b> Our primary focus within the B2C market is on upper- and middle-class communities. This segment presents significant growth opportunities for our premium products.</li> </ul> <p>As we intensify our efforts to cater to a broader consumer base, there is a corresponding need for an increased working capital. This is primarily attributed to the heightened demand for our products, necessitating the procurement of larger quantities of raw salt for the refining process.</p> <p>(ii) <b>Expansion into New Geographies:</b> In addition to our B2C expansion, we are embarking on a geographical expansion plan by entering South and Central India. To facilitate this expansion, we have made a strategic investment in acquiring</p>

Particulars	Justification for Holding Levels
	<p>industrial land located in Village Chirai Moti, Tehsil Bhachau, District Kacchh, Gujarat. The said land was earlier owned by BSE Main Board listed entity namely Saboo Sodium Cloro Limited engaged in the same trade. The land has certain constructed area and only investment required was in the form of plant and machinery. The benefits for this acquisition shall be as under</p> <ul style="list-style-type: none"> <li>➤ <b>New Refining Unit:</b> We will establish a state-of-the-art refining unit on the acquired land. This facility will enable us to streamline production processes, reduce costs, and meet the growing demand effectively. This acquisition will help our company to enter the southern India and Central India with reduced cost of transportation. With reduced cost, our products will be cheaper in comparison to other vendors and with enhanced marketing and brand endorsements, the sale of the company will improve.</li> <li>➤ <b>Export Opportunities:</b> The location of our new refining unit near the Kandla port in Gujarat provides us with a significant advantage for exports. This strategic proximity to the port reduces transportation costs and enhances our competitiveness in the global market.</li> </ul>
Trade Payables	<p>Our trade payables have a direct correlation to our business growth. Holding levels for trade payables have ranged from 13-26 days. Our Company will deploy major IPO proceeds in payment of outstanding creditors and acquiring finished goods during a low credit period and hence assumed the holding level for trade payables as 5 days in the fiscal year 2024 and 1 days in the fiscal year 2025. This is expected to enable our Company to get better terms from our vendors.</p>
Other Current Assets	<p>Other current assets are computed from the Restated Financial Information and include, amongst others, balance with statutory authorities, cash and cash equivalents, advances for supply of goods and other assets. Other current assets have been maintained in line with the projected business activity for the forthcoming years.</p>
Other Current Liabilities	<p>Other current assets are computed from the Restated Financial Information and include, amongst others, statutory dues, provision for taxation, advances from customers/deposits from dealers and other liabilities. Other current liabilities have been maintained in line with the projected business activity for the forthcoming years.</p>



## SECTION V – ABOUT THE COMPANY

### OUR BUSINESS

#### OVERVIEW

Our Company was originally incorporated as “Goyal Salt Private Limited” at Jaipur as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 26, 2010, issued by the RoC, Rajasthan bearing Corporate Identification Number U24298RJ2010PTC033409. Subsequently, our Company was converted into a public limited company under the Companies Act, 2013, pursuant to the approval accorded by our Shareholders at their extraordinary general meeting held on April 29, 2023. Consequently, the name of our Company was changed to “Goyal Salt Limited” and a fresh certificate of incorporation consequent upon conversion from a private limited company to a public limited company was issued to our Company by the RoC, Jaipur on May 18, 2023 and Corporate Identification Number is changed as U24298RJ2010PLC033409. The registered office of our company is situated at Plot No. 229-230, Guru Jambheshwar Nagar, Lane No. 7 Gandhi Path, Vaishali Nagar Jaipur 302021.

Our Company is primarily engaged in the business of refining of raw salts procured from sub soil brine in the state of Rajasthan for useable as industrial salts and edible salts. Our company refines and supplies pure, refined and quality range of triple refined free flow iodized salt, industrial salt, double fortified salt and triple refined half dry salt. Our refining process does not involve any adulteration from chemical and harmful substances. We have well equipped refinery at Nawa City, adjacent to famous Sambhar Lake. In addition to refinery, we also have lease rights to harvest raw salt over 18.66 Hectare of land issued by Government of Rajasthan in the vicinity of salt producing area of Nawa City in Rajasthan. Our refinery complex area is situated in Nawa City having total area of 1.45 Hectare of land and have dedicated space for the refining of salts, storage of raw salts procured from sub soil brine and packaging of refined salts. We have a team of well qualified and dedicated technical man power for quality control, production, efficiency, maintenance, research and maintenance, finance and accounting.

The raw material required to process refined salt is raw salt itself. Our Company sources its raw material mainly from the open market purchases which is around 75% of the total requirement of raw salt required by us for all our products which are Refined Free Flow Iodized Salt, Refined Free Flow Industrial Salt, Double Fortified Salt and Refined Half Dry Salt. In addition to the open market purchases, we source our raw material from our promoters-controlled entities and own harvesting of raw salts on the salt lands owned by our Company which supply around 23% and 2% respectively of the total requirement of the raw material required by us. For more details, please refer to the heading “**Raw Materials**” on Page 156 of the DRHP.

Over the past couple of years, our company has outgrown itself into the production of refined iodised salt and double fortified salt. Edible salt, also called table salt or just salt, is a mineral, commonly consumed by humans. There are different forms of edible salt: unrefined salt, refined salt, table salt or iodised salt. Raw salt comes in fine or larger crystals. In nature, it includes not only sodium chloride, but also other vital trace minerals. The company supplies its refined salt in the packaging of half kg and one kg for home consumption and fifty kg bags and jumbo bags for industrial use.

Our Company also produces/supplies industrial salt. Industrial salt are in high demand due to the diversity of applications in the soap and detergent industries, textile and dyeing industries to industries producing glass, polyester, plastics, rubber and leather and as well as in the chemical industry. Salt assists in cleaning gas and oil wells and is an essential component in the manufacture of paper, tires, brass, bleach and case-hardened steel. Salt is part of the caustic soda and chloralkali processes. It is

also used as ice melters in various countries. Another use of industrial salt is the pharmaceutical industry. Salt is mostly used in the preparation of saline solutions and the production of capsules. From making intravenous formulas to contact solutions, industrial salt is quite important for saline solutions and thus for the pharma industry. The pigment industry uses industrial salt as a filler and grinding agent during the manufacturing process.

Besides these different industrial uses of salt, salt finds usage in more areas such as animal feeding salt, water softening/water treatment salt, and pool salt.

It is anticipated that a growing demand for industrial salt will be driven primarily by increasing industrialization owing to its wide range of industrial applications. In particular, demand is expected to increase from the food and beverage industry, soap and detergent industry, the chlor-alkali sector in the chemical industry as well as chemical processing, water treatment, agriculture and dyeing.

The process flow for the production of industrial salt is same as that for the refined salt until the stage of getting the finished product. The finished product is further processed to obtain refined free flow salt by adding iodine to it. On getting the finished salt, it is then packed in bags of 50 kg and 1 tonne as per the requirements of the dealer/customer. For more details on the refining process please refer to the flow chart and Process Flow of refinery under the heading **“Refining Process”** on Page 157 of the DRHP.

We have an integrated production facility for our raw salt, industrial salt, and edible salt, at Nawa city which is located on the edge of Sambhar Lake. Our experience of more than a decade has enabled us to build an effective business model that gives us control over our processes from raw material procurement, refining and marketing to sales through our network. Our business model allows us to monitor and control the quality of our products on the supply side, and provides us the ability to respond quickly to our customers’ needs and preferences on the demand side. Our company adheres to the industry’s best quality product accreditations. Our Company has obtained following certifications / recognition:

1. The company has received IS 7224:2006 standard from Bureau of Indian Standards for refined iodized salt.
2. The company has also been accredited with ISO 22000:2018 standard for refined iodized salt, double fortified salt, pink salt and black salt.
3. The Company has also obtained license from FSSAI for the refining of proprietary food vide license no. 10013013000498.
4. It has also received IS 16232:2014 from Bureau of Indian Standards for iron fortified iodized salt (double fortified salt).
5. License HACCCP for refined iodised salt and iron fortified iodised salt (DFS), Pink Salt (Rock salt), Black Salt.

Our Company is managed by our promoters and directors, Mr. Rajesh Goyal, Mr. Pramesh Goyal and Mr. Lokesh Goyal having rich experience and exposure of about 20 years in the salt industry.

Our company has well-equipped refining unit with latest technology plant and machinery for refining of salt and quality control lab with in house testing equipment’s to test the quality of our products. Our finished products undergo a strict quality check to ensure that they are of required quality as per the standards set. Our in-house testing team regulates and monitors the quality, safety and packaging of the products. Our facility is equipped with its own quality check department, research and product development department and stockyard.

The revenue of the company in last three years based on restated financial statements is as under:

(Amount in lakhs)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022		For the year ended March 31, 2021	
	Amount	%	Amount	%	Amount	%
<b>Products:</b>						
Refined Free flow Iodized Salt	8,914.20	75.73%	5,641.79	85.29%	4,899.42	81.48%
Refined Free Flow Industrial Salt	1,537.26	13.06%	523.43	7.91%	423.53	7.04%
Double Fortified Salt	164.93	1.40%	-	-	-	-
Refined Half Dry Salt	1,147.80	9.75%	445.88	6.74%	682.34	11.35%
<b>Total</b>	<b>11,764.19</b>	<b>99.94%</b>	<b>6,611.09</b>	<b>99.94%</b>	<b>6,005.30</b>	<b>99.87%</b>
Others*	6.49	0.06%	3.91	0.06%	7.66	0.13%
<b>Total</b>	<b>11,770.68</b>	<b>100%</b>	<b>6,615.00</b>	<b>100%</b>	<b>6,012.96</b>	<b>100%</b>

\*Others include other Operating Revenue, Misc. Sales etc.

Our company's revenue breakdown is based solely on domestic sales. We have not engaged in any export activities and therefore do not have any revenue attributed to exports. It is important to highlight that while our current revenue sources are limited to domestic sales, we have future intentions to expand our operations into exporting our products.

Further our Company generates its revenue from both manufacturing and trading sales. Our Company generates 40.88% of its revenue from its trading business. We source our finished product from third parties in the cases where our demands are more than our supplies. In such cases, we purchase the refined salt from the open market and sell it to our customer/dealer depending upon the order quantity. If the order specifically requires us to deliver the product under our brand name, then it is supplied in our packaging else sold in normal packaging as required by the customer/dealer. Besides sourcing the refined salt from the open market, we also source it from our promoters' owned firms.

Details of our revenue from manufacturing activities and trading activities is as under

(Amount in lakhs)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022		For the year ended March 31, 2021	
	Amount	%	Amount	%	Amount	%
Manufacturing Sales	6954.22	59.11%	4740.21	71.70%	5231.16	87.11%
Trading Sales	4809.97	40.89%	1870.88	28.30%	774.14	12.89%
<b>Total</b>	<b>11764.19</b>	<b>100%</b>	<b>6611.09</b>	<b>100%</b>	<b>6005.30</b>	<b>100%</b>

Further our Company has supplied its products to various welfare schemes started by the Government. We have supplied our products to the State Government of 3 states which are Madhya Pradesh, Uttar Pradesh and Jharkhand. We have supplied refined iodized salt to the Government of Madhya Pradesh as per the orders from Madhya Pradesh Civil Supply Corporation Limited under the Public Distribution System (PDS). In the past, we have also received similar orders to supply iodized salt to the State Governments of Uttar Pradesh and Jharkhand under PDS.

Our Company has supplied refined iodized salt to various governments as per the details given below:

(Amount in Lakhs)

S. No.	Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022		For the year ended March 31, 2021	
		Amount	%	Amount	%	Amount	%
1.	Director Food, Civil Supply & Consumer (Jharkhand Govt)	1889.40	16.06%	-	-	-	-
2.	MP State Civil Suppliers Corp Ltd. (MP Govt)	1445.64	12.29%	-	-	-	-

S. No.	Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022		For the year ended March 31, 2021	
		Amount	%	Amount	%	Amount	%
3.	National Agriculture Co-Operative Marketing Federation of India Ltd (UP Govt)	631.54	5.37%	1520.14	22.99%	-	-
	<b>Total</b>	<b>3966.58</b>	<b>33.72%</b>	<b>1520.14</b>	<b>22.99%</b>	-	-

Note: Pursuant to the certificate dated July 31, 2023, issued by Peer Review Auditors of the company, M/s R.K. Malpani & Associates, Chartered Accountants.

We are aided in our growth by our qualified senior management team with considerable industry experience. We have a healthy track record of revenue growth and profitability, as evidenced by the growth in our revenue from operations from 6,005.30 lakhs in 2020-21 to 11,764.19 lakhs in 2022-23.

## OUR BUSINESS STRATEGIES

Our focus is on expanding our operations in existing as well as new markets. Our Company meticulously engineered with a cutting-edge technology and aptly supported by an efficient team of trained personnel who marketed the product in unexplored markets, had soon positioned itself as one of the popular brands in Indian market and paved the way for acquiring bigger share of this competitive market. We intend to provide high quality products to our clients and grow our business by leveraging our strengths and implementing the following strategies:

### ➤ Expand and increase our production capacity

Salt sets the dye in fabric and is used to produce glass, polyester, plastics and leather as well as in the chemical industry, food and beverage industry, soap and detergent industry, cattle feed industry, pharmaceutical industry and energy industry. Salt assists in cleaning and drilling in gas and oil wells and is an essential component in the manufacture of paper, tires, brass, bleach and case-hardened steel. The growing number of water treatment plants across the globe is expected to increase the usage of industrial salts. The increasing application of de-icing through industrial salts is also fostering the demand for industrial salts in the cold countries.

Further our Company at present focusing on B2B sales and government sales for its edible salt sales. Our company aiming to become B2C player in future with focus on sale of products by brand creation as there is enormous demand for branded salt. Our Company has associated itself with a Bollywood celebrity Ms. Karishma Kapoor for the brand creation and promotion.

To cater to the growing demand from our existing customers and to meet the requirements of our new customers and dealers, we intend to expand our refining capacities for salt production. At present our refinery is located at Nawa City and has a refining capacity of about 700 tonnes per day and we further intend to increase our capacity to meet the market demands. For this we have purchased an industrial converted land at Village Chirai Moti Tehsil Bhachau, Distt kacchh and we intend to start new units with enhanced capacity to meet the requirements of our existing and new customers and dealers in domestic as well as global markets. Increased refining capacity will allow us to increase our inventories during slow times, allowing us to stock more product to fill short-notice orders or stockpile inventory to fill large orders that arrive when we are pressed for capacity. The factors to be considered in capacity planning are to assess the level of market demand, cost of production and the availability of funds and thus keeping in mind all these factors we strive to further expand our refining capacity.

## OUR PRODUCTS

### 1. Refined Free Flow Iodized Salt

It is finely ground salt with small, even-sized crystals, typically created from raw salt. It usually contains an anti-caking agent to keep it free flowing, even in high humidity. Salt is used universally for seasoning of the food in all kinds of cuisines all over the world. It contains active ingredients and is widely appreciated for its accurate composition, fine free flow nature and purity. The iodization of the edible salt ensures fulfillment of daily required iodine need of the body for protection against iodine deficiency diseases.

The raw salt is drawn from the subsoil brine water of Sambhar Lake, an inland salt water lake in Rajasthan. The salt is then processed, iodized, treated and packed at most hygienic state-of-the-art sophisticated plant and contains no organic chemicals. Thus, the salt that reaches the customer is truly exceptional with high purity and quality.

## PROPERTIES

### 1. Owned Properties

S. No.	Location	Utility	Acquisition Date	Seller	Area of the land	Type of the land
5.	Khasra No. 313/4/2, Jhag (Village), Tehsil Roopangarh, District Ajmer, Rajasthan.	Production of Raw Salt	June 17, 2015	Sarwar Khan	0.01 Hectare	Agriculture
6.	Khasra No. 65/05, Aou (Village), Tehsil Roopangarh, District Ajmer, Rajasthan.	Production of Raw Salt	June 17, 2015	Sarwar Khan	0.01 Hectare	Residential Unit

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

#### LITIGATION INVOLVING OUR COMPANY

##### Litigation Against Our Company

##### A. Outstanding criminal proceedings

##### State vs. Pawan Kumar, Goyal Salt Private Limited & Others [484/2015]

An inspection of Our Company’s samples of the iodised salt packets was carried out by Food Analyst under Food Safety and Standards Act, 2006 (“FSS Act”) at District Bundi, wherein vide report dated 17.10.2014, it was opined that the samples are unsafe under Section 3(1) (zz)(iii) & (xi) of FSS Act as it does not conform to the prescribed quality standards.

Thereafter, a case (REG. CRI. CASE 1493 of 2015) was filed against Our Company and others for violation under Section 26(2)(i) of FSS Act before the Court of Additional Chief Judicial Magistrate, Bundi (Rajasthan). The matter is currently pending for adjudication and the next date of the hearing is 26.09.2023.

#### TAX PROCEEDINGS

##### Company

Type of Proceedings	Number of Cases	Amount* (Rs. in Lakh)
Direct Tax	2	46.76
Indirect Tax	Nil	Nil
<b>Total</b>	<b>2</b>	<b>46.76</b>

*\*To the extent quantifiable and ascertainable*

The Summary of the Tax Proceedings against the Company are as under:

S. No.	Type of the Proceeding	AY	Section	Name of Authority	Summary of the case	Amount (in lakhs)	Status
1	Direct Tax	2015-16	143 (1) of the Income Tax Act, 1961	Assistant Commissioner of Income Tax	Income Tax assessment Order U/s. 143(3) read with section 147/148 was passed by the Income Tax department wherein additions of Rs. 67,29,450 was made in the income of the company on account of issue of 8,62,750 equity share at a price exceeding Fair market Value.	46.14	Appeal is pending with ITAT
2	Direct Tax	2014-15, 2016-17, 2017-18, 2019-20, 2021-22, 2022-23	202, 220 (2) and 234E of the Income Tax Act, 1961	Assistant Commissioner of Income Tax (TDS)	Levy of interest and levy of penalty on late filing of TDS returns by our company.	0.62	Pending

## Promoters

Type of Proceedings	Number of Cases	Amount* (Rs. in Lakh)
Direct Tax	4	0.0065**
Indirect Tax	Nil	Nil
<b>Total</b>	<b>4</b>	<b>0.0065**</b>

\*To the extent quantifiable and ascertainable

\*\* Amount does not include unquantifiable demand with respect to two assessments pending under Section 147 read with 148/148A of Income Tax Act, 1961 having proposed addition of Rs. 169.65 Lakhs.

The Summary of the Tax Proceedings against the Promoters are as under:

S. No.	Type of the Proceeding	Name of the Promoter	Assessment Year	Section	Name of Authority	Summary of the case	Amount
1	Direct Tax	Pramesh Goyal	2016-17	148	Income Tax Authorities	Order was issued U/s. 148A of the Income tax wherein assessment for the AY 2016-17 was proposed to reopen to reassess undisclosed income of Rs. 1,13,79,500/- arising out of sale of shares not disclosed in IT return. The assessee filed writ petition in Rajasthan High Court for squashing of order on ground of limitation of time.	Not Quantifiable
2	Direct Tax	Pramesh Goyal	2022-23	143(1)	Income Tax Authorities	Order/Intimation issued U/s. 143(1) of Income Tax Act wherein additional interest is levied U/s. 234B & 234C of the Income Tax Act for short payment of advance tax.	424
3	Direct Tax	Radhika Goyal	2022-23	143(1)	Income Tax Authorities	Order/Intimation issued U/s. 143(1) of Income Tax Act wherein additional interest is levied U/s. 234B & 234C of the Income Tax Act for short payment of advance tax.	230
4	Direct Tax	Rajesh Goyal	2016-17	148	Income Tax Authorities	Order was issued U/s. 148A of the Income tax wherein assessment for the AY 2016-17 was proposed to reopen to reassess undisclosed income of Rs. 5585500/- arising out of sale of shares not disclosed in IT return. The assessee filed writ petition in Rajasthan High Court for squashing of order on ground of limitation of time.	Not Quantifiable

## Directors (Other than Promoters)

Type of Proceedings	Number of Cases	Amount* (Rs. in Lakh)
Direct Tax	3	0.81**
Indirect Tax	Nil	Nil
<b>Total</b>	<b>3</b>	<b>0.81**</b>

\*To the extent quantifiable and ascertainable.

\*\*Amount does not include unquantifiable demand with respect to an assessment pending under Section 147 read with 148/148A of Income Tax Act, 1961 having proposed addition of Rs. 2 Lakhs.

The Summary of the Tax Proceedings against the Directors (other than promoters) are as under:

S. No.	Type of the Proceeding	Name of the Promoter	Assessment Year	Section	Name of Authority	Summary of case	Amount
1	Direct Tax	Alpesh Fatehsingh Purohit	2019-20	148	Income Tax Authorities	Order was issued U/s. 148A of the Income tax wherein assessment for the AY 2019-20 was proposed to reopen to reassess undisclosed income of Rs. 2,00,000/- arising out donations made to a political Party and deductions claimed U/s. 80GGC/80GGB.	Amount not quantifiable
2	Direct Tax	Alpesh Fatehsingh Purohit	2018-19	143(1)	Income Tax Authorities	Order/Intimation issued U/s. 143(1) wherein income was assessed at Rs. 13,27,418/- against returned income of Rs. 10,07,418/- by making adjustment of Rs. 3,20,000/- under business head.	80,900
3	Direct Tax	Alpesh Fatehsingh Purohit	2019-20	143(1)	Income Tax Authorities	Order/Intimation issued U/s. 143(1) of Income Tax Act wherein additional interest is levied U/s. 234B & 234C of the Income Tax Act for short payment of advance tax.	850



## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements made in this Addendum are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**



**Amit Kumar**

*Chief Financial Officer*

**Place:** Jaipur

**Date:** September 13, 2023

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements made in this Addendum are true and correct.

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



**Jayanti Jha Roda**

*Company Secretary and Compliance Officer*

**Place:** Jaipur

**Date:** September 13, 2023

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements made in this Addendum are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY



**Rajesh Goyal**

*Chairman and Whole Time Director*

Place: Jaipur

Date: September 13, 2023

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements made in this Addendum are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**



**Pramesh Goyal**  
*Managing Director*

**Place:** Jaipur

**Date:** *September 13, 2023*

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements made in this Addendum are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY



**Lokesh Goyal**  
*Whole Time Director*

**Place:** Jaipur

**Date:** September 13, 2023

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements made in this Addendum are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

*Priyanka Goyal*  
**Priyanka Goyal**  
*Non-Executive Director*


**Place:** Jaipur

**Date:** *September 13, 2023*

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements made in this Addendum are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY



**Manisha Godara**

*Non-Executive Independent Director*

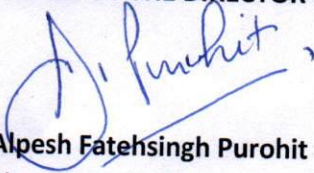
**Place:** New Delhi

**Date:** *September 13, 2023*

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, or guidelines, or regulations issued by the Government of India or the rules, or guidelines, or regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Addendum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or the guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements made in this Addendum are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**



**Alpesh Fatehsingh Purohit**

*Non-Executive Independent Director*

**Place: Ahmedabad**

**Date: September 13, 2023**