

**DRAFT RED HERRING PROSPECTUS**

Dated: June 25, 2026

Please read Section 26 and 32 of the Companies Act, 2013

(The Draft Red Herring Prospectus will be updated upon filing with the ROC)

100% Book Built Offer

(Please scan this QR Code to view the DRHP and Draft Abridged Prospectus)

QUESSENTIALS LIMITED
CIN: U15119KA2017PLC221970

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Plot No. 20, 4th phase, KIADB Industrial area, Kolar, Malur, Karnataka - 563130, India	242, 243, Third Floor, Whitefield Main Road, Pattandur Agrahara Village, Bengaluru, Karnataka - 560066, India	Vanshika Singh Company Secretary and Compliance Officer	E-mail: info@quesentials.in Tel. No: +91 9886194544	Website: quesentials.in

PROMOTERS OF THE COMPANY
Krishna Kanth Muppalla, Chinthala Mohan Reddy and Haripriya Muppalla

DETAILS OF THE OFFER				
TYPE	FRESH ISSUE SIZE (IN ₹ LAKHS)	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL OFFER SIZE (IN ₹ LAKHS)	ELIGIBILITY
Fresh Issue & OFS	Up to 30,72,000 Equity Shares aggregating to ₹ [●] Lakhs	Up to 1,68,000 Equity Shares aggregating to ₹ [●] Lakhs	Up to 32,40,000 Equity shares aggregating to ₹ [●] Lakhs.	This Offer is being made in terms of regulation 229(2) and 253(1) of chapter IX of the SEBI (ICDR) Regulations, 2018 as amended.

DETAILS OF OFFER FOR SALE			
Name of the Selling Shareholder	Category of Shareholder	No of Shares Offered	Weighted average cost of acquisition (in Rs. Per Equity Share)
Krishna Kanth Muppalla	Promoter	84,000 Equity Shares aggregating up to ₹ [●] Lakhs.	0.11
Chinthala Mohan Reddy	Promoter	84,000 Equity Shares aggregating up to ₹ [●] Lakhs.	0.11

RISK IN RELATION TO THE FIRST OFFER
This being the first offer of the issuer, there has been no formal market for the securities of the issuer. The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Offer Price determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under “Basis for Offer Price” on page 91 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 or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS
Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the offer. For taking an investment decision, investors must rely on their own examination of our Company and the offer including the risks involved. The Equity Shares issued in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the section “Risk Factors” beginning on page 20 of the Draft Red Herring Prospectus.

ISSUER & PROMOTER SELLING SHAREHOLDERS ABSOLUTE RESPONSIBILITY
The Company, having made all reasonable inquiries, accepts responsibility for and confirms that the Draft Red Herring Prospectus contains all information with regard to the Company and the Offer, which is material in the context of the Offer, that the information contained in the Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes the Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, the Promoter Selling Shareholder, severally and not jointly, accepts responsibility for only such statements specifically confirmed or specifically undertaken by such Promoter Selling Shareholder in the Draft Red Herring Prospectus to the extent such statements specifically pertain to itself and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, none of the Promoter Selling Shareholder assume any responsibility for any other statements, disclosures or undertakings, including without limitation, any and all of the statements, disclosures or undertakings made by or in relation to our Company, its business, or any other Promoter Selling Shareholder, in the Draft Red Herring Prospectus.

LISTING
The Equity Shares Issued through Red Herring Prospectus are proposed to be listed on the SME Platform of BSE (“BSE SME”). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received “in-principle” approval letter dated [●] from BSE (BSE SME) for using its name in the Offer Document. For the purpose of the Offer, the Designated Stock Exchange will be the BSE Limited (“BSE”).

BOOK RUNNING LEAD MANAGER TO THE OFFER		
Name and Logo	Contact Person	Email & Telephone
 Seren Capital Private Limited	Venil Mehta/ Richa Mandhania	Email: info@serencapital.in Tel. No.: +91- 22- 46011058

REGISTRAR TO THE OFFER		
Name and Logo	Contact Person	Email & Telephone
 KFin Technologies Limited	M Murali Krishna	Email: quesentials.ipo@kfintech.com Tel. No.: +91-406716-2222/ 1800-309-4001

BID/OFFER PERIOD		
ANCHOR PORTION OFFER OPENS/CLOSES ON: [●] *	BID/OFFER OPENS ON: [●]	BID/OFFER CLOSES ON: [●]**

*The Company and the Promoter Selling Shareholders may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

**Our Company and the Promoter Selling Shareholders may, in consultation with the BRLM, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

SUMMARY OF THE PRIMARY BUSINESS

Headquartered in Bengaluru, Karnataka, we are a B2B food ingredients company engaged in the value-added processing, packaging and supply of food ingredients across domestic and international markets. Our business is primarily focused on superfoods and nutrient-rich food ingredients, with chia seeds, quinoa and millets forming our key product offerings. In addition, we undertake manual cleaning, packaging and supply of spices, nuts, dry fruits and other allied food ingredient products.

Our product portfolio is broadly classified into the following categories:

- **Superfoods, Seeds and Millets:** This category primarily comprises chia seeds, quinoa and millets, which form our key product offerings. In addition, we supply flax seeds, sesame seeds, basil seeds, pumpkin seeds, sunflower seeds, and amaranth seeds.
- **Spices:** This category comprises chilli and other whole spices, including cumin, ajwain, black pepper, cardamom, cloves and other spice variants.
- **Nuts, Dry Fruits and Other Food Ingredient Products:** This category comprises walnuts, almonds, hazelnuts, peanuts, dry fruits, pulses, lentils and other food ingredient products.

The following table sets forth the bifurcation of revenue (product-wise) for the nine-month period ended December 31, 2025, and financial years ended March 31, 2025, March 31, 2024, and March 31, 2023.

(Rs. In Lakhs, unless otherwise stated)

Product Name/ Category	Apr.'25 to Dec.'25	% of Revenue from operati on	F.Y 2024-25	% of Revenue from operation	F.Y 2023-24	% of Revenue from operation	F.Y 2022-23	% of Revenue from operatio n
Superfoods, Seeds and Millets								
Chia Seeds	5,025.31	53.54	1,933.49	24.90	2,072.27	23.09	2,440.16	46.09
Millet	1,345.88	14.34	1,948.57	25.09	2,722.77	30.34	975.80	18.43
Quinoa Seeds	1,842.13	19.63	1,008.07	12.98	1,374.05	15.31	625.72	11.82
Flax Seeds	52.75	0.56	86.86	1.12	67.56	0.75	87.15	1.65
Other Seeds (1)	429.14	4.57	596.21	7.68	484.77	5.40	423.02	7.99
Total- A	8,695.21	92.64	5,573.20	71.76	6,721.41	74.90	4,551.86	85.98
Nuts, Dry fruits and allied food items								
Dry fruits	36.54	0.39	273.47	3.52	277.74	3.10	518.50	9.79
Pulses	27.03	0.29	83.50	1.08	31.93	0.36	31.47	0.59
Rice	0.17	0.00	16.64	0.21	317.55	3.54	-	-
Others allied items (2)	37.56	0.40	44.06	0.57	100.53	1.12	159.35	3.01
Total- B	101.31	1.08	417.68	5.38	727.75	8.11	709.32	13.40
Spices								
Chilli	429.20	4.57	1,152.24	14.84	1,219.00	13.58	2.59	0.05
Other Whole Spices (3)	160.70	1.71	623.24	8.02	305.19	3.40	30.56	0.58
Total C	589.89	6.28	1,775.48	22.86	1,524.19	16.99	33.15	0.63
Total Revenue from Operation (A+B+C)	9,386.42	100.00	7,766.36	100.00	8,973.34	100.00	5,294.33	100.00

Notes: -

(1) *Other Seeds - This category comprises a diverse range of seeds including amaranth seeds, sunflower seeds, basil seeds, watermelon seeds, pumpkin seeds, niger seeds (including processed niger seeds), safflower seeds, fennel seeds, black mustard seeds, coriander seeds and barley seeds.*

(2) *Other allied items- This category comprises miscellaneous products and ancillary items sugar and flour-based products, cereals, etc.*

⁽³⁾ Other Whole Spices- This category comprises various whole spices, spice blends, seasonings, herbs, and related products, including cinnamon, cumin, pepper, cardamom, cloves, bay leaves, tamarind, sesame seeds, mustard seeds, and other spice-based products.

GEOGRAPHY-WISE REVENUE ACROSS INDIA

(Rs. in Lakhs)

Particulars	Apr'25 - Dec'25	% of Total Revenue	F.Y. 2024-25	% of Total Revenue	F.Y. 2023-24	% of Total Revenue	F.Y. 2022-23	% of Total Revenue
Domestic								
Jammu & Kashmir	0.48	0.01%	2.12	0.03%	0.61	0.01%	32.7	0.62%
Himachal Pradesh	0.17	0.00%	0.32	0.00%	-	-	-	-
Punjab	15.00	0.16%	52.05	0.67%	38.27	0.43%	16	0.30%
Uttarakhand	15.73	0.17%	18.14	0.23%	2.83	0.03%	0.32	0.01%
Haryana	358.33	3.82%	108.62	1.40%	207.48	2.31%	39.51	0.75%
Delhi	151.11	1.61%	127.92	1.65%	549.03	6.12%	94.27	1.78%
Rajasthan	164.42	1.75%	178.1	2.29%	504.63	5.62%	205.54	3.88%
Uttar Pradesh	87.64	0.93%	213.28	2.75%	168.5	1.88%	105.24	1.99%
Bihar	0.32	0.00%	0.87	0.01%	0.11	0.00%	0.11	0.00%
Mizoram	0.24	0.00%	-	-	-	-	-	-
Assam	1.28	0.01%	0.99	0.01%	0.17	0.00%	0.14	0.00%
West Bengal	6.63	0.07%	92.06	1.19%	137.24	1.53%	0.36	0.01%
Jharkhand	0.62	0.01%	0.29	0.00%	0.99	0.01%	0.03	0.00%
Odisha	4.54	0.05%	3.21	0.04%	2.04	0.02%	2.08	0.04%
Chhattisgarh	0.15	0.00%	-	-	0.41	0.00%	0.06	0.00%
Madhya Pradesh	378.28	4.03%	163.52	2.11%	181.6	2.02%	177.94	3.36%
Gujarat	303.72	3.24%	70.18	0.90%	116.95	1.30%	100.39	1.90%
Dadra and Nagar Haveli and Daman and Diu	-	-	0.81	0.01%	0.48	0.01%	-	-
Maharashtra	678.57	7.23%	304.98	3.93%	441.34	4.92%	459.85	8.69%
Karnataka	1,734.52	18.49%	3,211.25	41.35%	2,265.26	25.26%	1,928.30	36.41%
Goa	2.22	0.02%	3.98	0.05%	4.41	0.05%	2.43	0.05%
Kerala	58.61	0.62%	155.12	2.00%	39.86	0.44%	28.72	0.54%
Tamil Nadu	86.29	0.92%	132.92	1.71%	741.28	8.26%	51.19	0.97%
Telangana	142.03	1.51%	393.85	5.07%	416.3	4.64%	301.59	5.70%
Andhra Pradesh	153.77	1.64%	386.24	4.97%	118.41	1.32%	31.36	0.59%
Manipur	-	-	-	0.00%	-	0.00%	6.42	0.12%
Puducherry	-	-	-	0.00%	-	0.00%	0.1	0.00%
Total Domestic (A)	4,344.67	46.29%	5,620.82	72.37%	5,938.20	66.18%	3,584.65	67.71%
Export								
Canada	320.54	3.41%	-	-	-	-	-	-
Hungary	27.8	0.30%	-	-	-	-	-	-
Indonesia	37.35	0.40%	39.15	0.50%	44.78	0.50%	101.26	1.91%
Israel	203.47	2.17%	-	-	-	-	-	-
Italy	168.95	1.80%	-	-	205.6	2.29%	-	-
Japan	25.47	0.27%	38.73	0.50%	17.45	0.19%	-	-
Kazakhstan	25.62	0.27%	-	-	-	-	-	-
Latvia	46.19	0.49%	-	-	-	-	-	-
Lebanon	71.49	0.76%	21.9	0.28%	25.43	0.28%	2.48	0.05%
Nepal	31.41	0.33%	25.07	0.32%	22.08	0.25%	0.73	0.01%
Netherlands	234.72	2.50%	353.7	4.55%	455.06	5.07%	677.04	12.79%
Philippines	229.67	2.45%	182	2.34%	118.74	1.32%	-	-
Poland	895.05	9.54%	362.64	4.67%	156.53	1.74%	-	-
Portugal	9.08	0.10%	-	-	14.92	0.17%	13.56	0.26%
Russia	1,894.47	20.18%	760.71	9.81%	337.73	3.76%	258.7	4.88%
Saudi Arabia	19.09	0.20%	-	-	45.61	0.51%	-	-
Spain	417.59	4.45%	92.2	1.19%	-	-	-	-
Thailand	93.89	1.00%	100.03	1.29%	70.57	0.79%	4.42	0.08%
Vietnam	289.9	3.09%	10.31	0.13%	585.22	6.52%	478.35	9.04%

United Arab Emirates	-	-	41.2	0.53%	46.37	0.52%	40.66	0.77%
Sri Lanka	-	-	44.97	0.58%	349.23	3.89%	-	-
Taiwan	-	-	67.78	0.87%	14.3	0.16%	-	-
France	-	-	5.15	0.07%	2.06	0.02%	-	-
Singapore	-	-	-	0.00%	317.51	3.54%	-	-
Malaysia	-	-	-	0.00%	12.36	0.14%	-	-
Maldives	-	-	-	0.00%	2.72	0.03%	0.01	0.00%
Germany	-	-	-	0.00%	44.09	0.49%	112.21	2.12%
Belgium	-	-	-	0.00%	64.16	0.72%	-	-
U.S. A	-	-	-	0.00%	82.62	0.92%	-	-
Myanmar	-	-	-	0.00%	-	0.00%	20.26	0.38%
Total Export (B)	5,041.75	53.71%	2,145.54	27.63%	3,035.14	33.82%	1,709.68	32.29%
Revenue from Operations (A+B)	9,386.42	100%	7,766.36	100%	8,973.34	100%	5,294.33	100%

*As certified by A D V & Associates, Chartered Accountants, Statutory Auditors of our Company, vide their certificate dated June 16, 2026.

Revenue from our top 5 customers is as given below:

(Rs. In Lakhs, unless otherwise stated)

Particular	December 31, 2025		March 31, 2025		March 31, 2024		March 31, 2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Top 5 Customers*	2,590.83	27.60%	2,257.57	29.07%	2,185.44	24.36%	1,645.43	31.08%

*The customers may vary across the fiscal/relevant period.

KEY OPERATIONAL FACILITIES

Corporate Office	Third Floor, Property bearing BBMP Khatha No. 725/221 (earlier New Mahadevapura CMC Khatha No. 221), CMC Nos. 242 & 243, Whitefield Main Road, Pattandur Agrahara Village, K.R. Pura Hobli, Bengaluru East Taluk, Bengaluru – 560066, Karnataka
Registered Office & Processing Unit I	Plot No. 20 (Part 1), Malur Industrial Area, 4th Phase, Sy. No. parts of 114 & 116, H-Hoskote Village, Lakkur Hobli, Malur Taluk, Kolar District, Karnataka - 563130
Processing Unit II	Plot No 87-A in part of Sy. Nos. 72 & 76 in Malur II Phase Industrial Area, Nosigere Village, Kasaba Hobli, Malur Taluk, Kolar District, Karnataka, 563130
Processing Unit III (under set-up)	Plot No. 10p1 and 11p1, 4th Phase, KIADB Industrial Area, Malur, Kolar District – 563130, Karnataka
Warehouse	Source Warehouse, Handpost, MM Road RP Circle, Source Warehouse, Handpost/Kalyx, Hampapura, Mysuru, Karnataka – 571125

For further details, please refer to the chapter titled “Our Business” beginning on page 116 of the Draft Red Herring Prospectus.

SUMMARY OF THE INDUSTRY

The food processing industry is one of the most important agro-based industries in the world, playing a crucial role in food security, economic development, and improving the availability of safe and nutritious food. At its core, the sector focuses on transforming raw agricultural produce into value-added food products that are suitable for storage, distribution, and consumption across diverse markets. Processed food products form a significant part of daily diets and serve as key inputs for multiple industries, including retail, hospitality, and packaged consumer goods.

The Global Food Processing Industry is estimated at USD 161.79 Billion in 2025 and is projected to reach USD 316.82 Billion in 2035, registering a CAGR of 7.75% over the period indicating a healthy and sustained growth trajectory over the next decade. The Indian superfoods market is projected to grow significantly from USD 8.85 billion in 2025 to USD 20.03 billion by 2035, reflecting strong expansion at a CAGR of around 9.50% during the forecast period.

(Source: Infomerics Analytics & Research)

For further details, please refer to the chapter titled “Industry Overview” beginning on page 101 of the Draft Red Herring Prospectus.

PROMOTERS OF THE ISSUER COMPANY			
Sr. No.	Name	Individual/ Corporate	Experience & Educational Qualification
1.	Krishna Kanth Muppalla	Individual	Krishna Kanth Muppalla is the Promoter, Chairman and Whole-Time Director of our Company. He has been associated with our Company since June 2017. He holds a Bachelor of Engineering degree in Information Technology from Maulana Azad National Institute of Technology, Bhopal, obtained in 2004. Prior to promoting our Company, he was associated with various organisations in the technology sector, including Virtusa, Oracle, IDS Software Solutions India Private Limited, Sabre Travel Technologies Private Limited, Travelocity and Climate Growth Solutions, where he gained overall industry experience of 13 years. He has over 9 years of experience in the food processing industry. He primarily oversees finance, sales and marketing of the Company.
2.	Chinthala Mohan Reddy	Individual	Chinthala Mohan Reddy is the Promoter and Managing Director of our Company and has been associated with the Company since 2018. He holds a Bachelor of Engineering degree in Mechanical Engineering from Maulana Azad National Institute of Technology, Bhopal, obtained in 2004. Prior to his appointment as Director in 2019, he served as Senior Manager with our Company from 2018 to 2019, where he was responsible for business development, sales and marketing strategy, customer relationship management, market expansion initiatives, and overall operational coordination. Before joining our Company, he worked as Regional Segment Marketing Manager at Danfoss Industries Private Limited from 2006 to 2016 and, prior thereto, as Engineer – Sales & Marketing at ETA Engineering Private Limited from 2004 to 2006. He has over 22 years of work experience in sales and marketing, including 8 years in the food processing industry. He currently oversees production, administration and operations of the Company.
3.	Haripriya Muppalla	Individual	Haripriya Muppalla is the Promoter and Non-Executive Director of our Company and has been associated with the Company since 2018. She holds a Bachelor of Arts degree from Osmania University, Hyderabad, obtained in 2007. Prior to her appointment as Director in 2026, she served as Senior HR Executive with our Company from 2018 to 2024, where she was responsible for managing end-to-end recruitment, onboarding, supporting employee engagement, and other HR administration activities. Before joining our Company, she worked as HR Executive – Recruitment at Rofous Software Private Limited from September 2007 to March 2008.

For details in respect of our Promoters, please refer to the chapter titled “Our Promoters and Promoter Group” beginning on page 178 of the Draft Red Herring Prospectus.

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of up to 30,72,000 Equity Shares of face value of ₹10 each, aggregating up to ₹ [●] Lakhs by our Company and an Offer for Sale of up to 1,68,000 Equity Shares of face value of ₹ 10 each aggregating to up to ₹ [●] Lakhs by the Promoter Selling Shareholder.

Details of means of finance – The fund requirements for the object of the Offer are stated as follows:

(Rs. In Lakhs)

S. No.	Particulars	Estimated Amount to be deployed and utilized in F.Y. 26-27	Estimated Amount to be deployed and utilized in F.Y. 27-28
1.	Funding of Working Capital Requirements	1,300	1,000
2.	General corporate purposes*	[●]	[●]
	Total	[●]	[●]

*To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 15% of the Gross Proceeds or Rs. 10 crores whichever is lower.

Details of Utilization of Net Proceeds

The details of utilization of the Net Proceeds are set forth below:

1. Funding of Working Capital Requirements

With the expansion of the business company will be in need of additional working capital requirements. We fund a majority of our working capital requirements in the ordinary course of business from banking facilities and internal accruals. Our Company requires additional working capital for funding its incremental working capital requirements.

Out of Net Proceeds, our Company proposes to utilize ₹ 1,300 lakhs and ₹1,000 lakhs towards our Company’s working capital requirements of the FY 2026-27 and FY 2027-28, respectively, as detailed below. The balance portion of our Company working capital requirement shall be met from the working capital facilities availed from the banks and internal accruals. The incremental and proposed working capital requirements and key assumptions with respect to the determination of the same are mentioned below:

Details of Estimation of Working Capital requirement are as follows:

(Rs. in Lakhs)

Particulars	March 31, 2023 R	March 31, 2024 R	March 31, 2025 R	Apr-25 to Dec-25 R	March 31, 2026 Provisional	March 31, 2027 P	March 31, 2028 P
Current Assets							
Inventories	725.86	594.57	744.86	952.12	807.42	1,391.90	1,809.48
Trade receivables	783.53	1,057.66	828.36	1,279.12	1,866.53	2,371.39	3,082.81
Short-Term Loans and Advances	96.78	194.96	177.38	214.70	278.55	343.68	446.78
Other Current Assets	-	-	-	-	-	-	-
Total Current Assets(A)	1,606.18	1,847.19	1,750.60	2,445.94	2,952.50	4,106.98	5,339.07
Current Liabilities							
Trade Payables	417.06	397.91	257.73	114.89	333.02	577.38	750.60
Other Current Liabilities	69.71	43.57	144.22	109.35	95.45	103.10	111.70
Short-Term Provisions	84.74	0.73	75.59	187.65	250.87	275.96	303.56
Total Current Liabilities(B)	571.52	442.21	477.55	411.89	679.34	956.45	1,165.85
Total Working Capital Requirement(A-B)	1,034.66	1,404.97	1,273.06	2,034.05	2,273.16	3,150.53	4,173.22
Funding Pattern:							

Short Term Borrowings	417.72	618.10	482.68	386.53	499.76	349.83	244.88
Internal Accruals*	616.94	786.87	790.38	1,647.51	1,773.40	1,500.70	2,928.34
Net Proceeds from IPO						1,300.00	1,000.00

*Internal accruals generally comprise funds generated through the Company's regular business operations, including profits retained in the business after meeting operating expenses, taxes and routine working capital requirements. In the present case, the internal accruals proposed to be deployed towards the project will be funded primarily from liquidity generated from operations.

R- Restated P- Projected

Assumptions for working capital requirements

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for the nine month period ended Apr'25 to Dec'25 financial years ended, March 31, 2025, March 31, 2024 and March 31, 2023, as well as provisional for financial year March 31, 2026 and projections for financial year ended March 31, 2027 and March 31, 2028.

(in days)

Particulars	March 31, 2023 R	March 31, 2024 R	March 31, 2025 R	Apr-25 to Dec-25 R	March 31, 2026 Provisional	March 31, 2027 P	March 31, 2028 P
Trade Receivables days	54	43	39	37	52	50	50
Trade Payables days	35	19	14	4	11	15	15
Inventory days	50	24	35	28	22	30	30

Justification:

Trade Receivables	The Company caters to a diversified customer base comprising domestic as well as export customers. Trade receivable days reduced from 54 days in FY 2022-23 to 43 days in FY 2023-24 and further to 39 days in FY 2024-25, reflecting improved collection efficiency and effective receivables management. Trade receivable days stood at 37 days for the nine-month period ended December 31, 2025. The lower debtor cycle during the historical period was supported by a favourable customer mix, timely collections and disciplined credit monitoring. For the provisional period ended March 31, 2026, debtor days have been considered at 52 days and are projected at 50 days each for FY 2026-27 and FY 2027-28. The projected levels take into account the anticipated increase in business scale, higher contribution from export customers and customer-specific credit terms.
Trade Payable	Trade payable days declined from 35 days in FY 2022-23 to 19 days in FY 2023-24 and further to 14 days in FY 2024-25. Trade payable days stood at 4 days for the nine-month period ended December 31, 2025, primarily due to timing of purchases, procurement cycles and early settlement of supplier dues during the period. The Company procures agricultural commodities and related products from a broad network of suppliers, and payment terms vary depending on market conditions, product availability and supplier relationships. For the provisional period ended March 31, 2026, creditor days have been considered at 11 days and are projected at 15 days each for FY 2026-27 and FY 2027-28. The projected creditor cycle reflects the expected procurement requirements, availability of supplier credit, historical payment practices and the Company's normal operating cycle.
Inventories	Inventory primarily comprises seeds, millets, spices, allied food products, raw materials, finished goods and packing materials. Inventory days stood at 50 days in FY 2022-23, reduced to 24 days in FY 2023-24 and increased to 35 days in FY 2024-25. Inventory days were 28 days for the nine-month period ended December 31, 2025. The fluctuations in inventory holding levels were primarily driven by procurement planning, seasonal availability of agricultural commodities, price movements, inventory build-up to meet customer demand and export order execution requirements. For the provisional period ended March 31, 2026, inventory days have been considered at 22 days and are projected at 30 days each for FY 2026-27 and FY 2027-28. The projected inventory levels are based on the anticipated scale of operations, procurement schedules, inventory management practices, order fulfilment requirements and the need to maintain adequate stock levels to support both domestic and export sales.
Loans and Advances	Short-term loans and advances primarily comprise advances paid to suppliers for procurement of goods, prepaid expenses, advances to employees, advance tax balances, GST receivables, GST refund receivables, duty drawback receivables and Rodtep receivables. These balances arise in the ordinary course of business and are directly linked to the Company's procurement activities, operational expenditure, statutory compliances and export incentives. The level of such advances generally varies based on the scale of operations, procurement requirements, timing of tax recoveries and export volumes. Accordingly, these balances have historically moved in line with business growth and working capital requirements.
Other Current Liabilities	Other current liabilities primarily comprise advances received from customers, statutory liabilities, expenses payable

and employee benefit expenses payable. These liabilities arise in the normal course of business and are linked to the Company's operating activities, revenue generation, statutory compliance requirements and employee-related obligations. The level of such liabilities generally varies with business volumes, transaction levels and the timing of payments and settlements. Accordingly, these balances have historically remained commensurate with the scale of operations and working capital requirements of the Company.

*As certified by M/s A D V & Associates, Chartered accountant, Statutory auditor of our company, by way of their certificate dated June 16, 2026.

2. General Corporate Purpose

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

For further details, please refer to the chapter titled “Objects of the Offer” on page 84 of the Draft Red Herring Prospectus.

PRE AND POST ISSUE SHAREHOLDING OF PROMOTER(S), MEMBERS OF THE PROMOTER GROUP AND TOP 10 SHAREHOLDERS

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
Promoters (A)					
1.	Krishna Kanth Muppalla	47,77,500	52.50	[●]	[●]
2.	Chinthala Mohan Reddy	43,17,950	47.45	[●]	[●]
3.	Haripriya Muppalla	910	0.01	[●]	[●]
Sub Total (A)		90,96,360	99.96	[●]	[●]
Promoter Group (B)					
1.	Ravi Vijaya Gouthami	910	0.01	[●]	[●]
2.	Chinthala Upendra Reddy	910	0.01	[●]	[●]
3.	Patil Karuna Sree	910	0.01	[●]	[●]
4.	Madamanchi Bhujanga Rao	910	0.01	[●]	[●]
Sub Total (B)		3,640	0.04	[●]	[●]
Total		91,00,000	100.00	[●]	[●]

Sr. No.	Pre-Issue shareholding			Post-Issue shareholding as at the date of Allotment			
	Shareholders	Number of Equity Shares	Share Holding (in %)	At Floor Price (₹ [●])		At Cap Price (₹ [●])	
				Number of Equity Shares	Share holding (in %)	Number of Equity Shares	Share holding (in %)
Promoter(s)							
1.	Krishna Kanth Muppalla	47,77,500	52.50	[●]	[●]%	[●]	[●]%
	Chinthala Mohan Reddy	43,17,950	47.45	[●]	[●]%	[●]	[●]%
	Haripriya Muppalla	910	0.01	[●]	[●]%	[●]	[●]%
Total (Promoters)		90,96,360	99.96	[●]	[●]%	[●]	[●]%
Members of Promoter Group							
2.	Ravi Vijaya Gouthami	910	0.01	[●]	[●]%	[●]	[●]%
	Chinthala Upendra Reddy	910	0.01	[●]	[●]%	[●]	[●]%
	Patil Karuna Sree	910	0.01	[●]	[●]%	[●]	[●]%
	Madamanchi Bhujanga Rao	910	0.01	[●]	[●]%	[●]	[●]%
Total (Promoter Group)		3,640	0.04	[●]	[●]%	[●]	[●]%
Public Shareholders (top 10 shareholders)							
3.	-	-	-	[●]	[●]%	[●]	[●]%
Total (Public Shareholders)		-	-	[●]	[●]%	[●]	[●]%
Total (Aggregate)		91,00,000	100.00	[●]	[●]%	[●]	[●]%

Notes:

- 1) Includes all options that have been exercised until date of prospectus and any transfers of equity shares by existing shareholders after the date of the pre-issue and price band advertisements until date of prospectus.
- 2) Based on the Issue price of ₹ [●] and subject to finalization of the basis of allotment.

SUMMARY OF RESTATED FINANCIAL INFORMATION

Following are the details as per the restated financial statements for the period ended on December 31, 2025 and financial years ended on March 31, 2025, March 31, 2024 and March 31, 2023:

(₹ in Lakhs)

Sr. No	Particulars	For the period/ year ended			
		December 31, 2025	March 31, 2025	March 31, 2024	March 31, 2023
1	Share capital	10.00	10.00	10.00	10.00
2	Net Worth	1,817.72	1,045.62	831.31	759.24
3	Revenue	9,386.42	7,766.36	8,973.34	5,294.33
4	EBITDA	977.85	301.78	150.63	459.70
5	Profit after tax	772.10	214.31	72.07	329.23
6	Basic Earnings per share	8.48	2.36	0.79	3.62
7	Diluted Earnings per share	8.48	2.36	0.79	3.62
8	Return on Equity	53.93%	22.84%	9.06%	55.72%
9	NAV per Equity Shares (based on Weighted Average Number of Shares - With Bonus issue effect)	19.97	11.49	9.14	8.34
10	Total borrowings	386.53	525.08	765.31	657.47
11	Cash flow from operating activities	59.30	414.94	-187.52	41.53
12	Cash flow from investing activities	-15.66	-4.74	-8.64	-165.39
13	Cash flow from financing activities	-171.84	-276.34	38.96	293.94

For further details, please refer to the chapter titled “Restated Financial Statements” beginning on page 184 of the Draft Red Herring Prospectus.

SUMMARY OF KEY PERFORMANCE INDICATORS

(Rs. In Lakhs except percentages & ratios)

Key Financial Performance	Apr'25-Dec'25	FY 2024-25	FY 2023-24	FY 2022-23
Revenue from operations ⁽¹⁾	9,386.42	7,766.36	8,973.34	5,294.33
EBITDA ⁽²⁾	977.85	301.78	150.63	459.70
EBITDA Margin ⁽³⁾	10.42%	3.89%	1.68%	8.68%
PAT ⁽⁴⁾	772.10	214.31	72.07	329.23
PAT Margin ⁽⁵⁾	8.23%	2.76%	0.80%	6.22%
RoE (%) ⁽⁶⁾	53.93%	22.84%	9.06%	55.72%
RoCE (%) ⁽⁷⁾	48.44%	20.69%	9.95%	31.75%
Net Worth ⁽⁸⁾	1,817.72	1,045.62	831.31	759.24
Repetitive customers % ⁽⁹⁾	62.49%	79.32%	47.84%	54.08%
Number of customers ⁽¹⁰⁾	545	700	590	520

Notes:

⁽¹⁾ Revenue from operation means revenue from sales, service and other operating revenues

⁽²⁾ EBITDA is calculated as Profit before tax + Depreciation + Finance cost - Other Income

⁽³⁾ EBITDA Margin is calculated as EBITDA divided by Revenue from Operations

⁽⁴⁾ PAT is taken as Profit for the year attributable to the Shareholders of the Company

⁽⁵⁾ PAT Margin is calculated as Profit for the year attributable to Shareholders of the Company divided by revenue from operations.

⁽⁶⁾ Return on Equity is the ratio of Profit for the year attributable to Shareholders of the Company and Average Shareholder Equity.

⁽⁷⁾ Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term borrowings and short-term borrowings + deferred tax liability(net).

⁽⁸⁾ Net Worth is calculated as total shareholder's funds.

⁽⁹⁾ Revenue from repeat customers represents revenue generated during the relevant fiscal year or period from customers who were also invoiced in the immediately preceding financial year. The percentage of revenue from repeat customers is calculated by dividing revenue from repeat customers by total revenue from operations for the respective fiscal year or period.

⁽¹⁰⁾ Number of Customers represents the total number of customers to whom the Company has generated revenue during the relevant fiscal year or period.

For further details, please refer to the chapter titled “Basis for Offer Price” beginning on page 91 of the Draft Red Herring Prospectus.

RISK FACTORS

The top 10 internal risk factors as per the Draft Red Herring Prospectus are mentioned below:

1. Our revenue from operations is concentrated on certain products or product categories, and any reduction in demand, pricing pressure or disruption in supply of such products may adversely affect our business, results of operations, financial condition and cash flows.
2. A significant portion of our revenue from operations is derived from a limited number of customers, and any reduction in business from such customers may adversely affect our business, results of operations, financial condition and cash flows.
3. Our business is dependent on procurement of food ingredients and raw materials from third-party sources, and any significant fluctuation in prices, disruption in supply or deterioration in supplier relationships, including dependence on a limited number of suppliers, may adversely affect our business.
4. We do not have long-term supply arrangements with our suppliers, farmers, or traders, and any disruption in availability of raw materials may affect our ability to execute orders.
5. We are required to obtain, maintain, renew and update various statutory approvals, registrations, licenses and certifications for our business operations, and any failure or delay in doing so, including in relation to fire safety compliances, may adversely affect our business, results of operations, financial condition and cash flows.
6. Our business is exposed to fluctuations in prices and availability of raw materials and food ingredients, and our inability to manage such fluctuations may adversely affect our business, margins, results of operations, financial condition and cash flows.
7. Our export revenue may be concentrated in certain countries or regions, and any adverse developments in such export markets may adversely affect our business, results of operations, financial condition and cash flows.
8. Our business is working capital intensive and requires significant funding for procurement and inventory holding. Any inability to manage our working capital requirements may adversely affect our business and financial condition.
9. Our operations are dependent on our processing facilities, and any disruption at such facilities may adversely affect our business.
10. Our processing facilities are concentrated in Malur, Karnataka and any disruption, breakdown, natural calamity, regulatory action or adverse development affecting this region may adversely impact our operations, business and financial condition.

For further details, please refer to the chapter titled “Risk Factors” beginning on page 20 of the Draft Red Herring Prospectus.

THE DETAILS OF WEIGHTED AVERAGE COST OF ACQUISITION OF SHARES FOR PROMOTER

PARTICULARS	NUMBER OF EQUITY SHARES HELD AS ON DATE*	WEIGHTED AVERAGE COST OF ACQUISITION (“WACA”) PER EQUITY SHARE (IN ₹)*	WACA PER EQUITY SHARES ACQUIRED IN LAST ONE YEAR*
Promoter(s)			
Krishna Kanth Muppalla	47,77,500	0.00	0.00
Chinthala Mohan Reddy	43,17,950	0.00	0.00
Haripriya Muppalla	910	0.00	0.00

Weighted average cost of acquisition of all shares transacted in the one year and three years preceding the date of draft offer document / offer document.

Period	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 one year preceding the date of the Draft Red Herring Prospectus	0.00	[●]	0- 10
Last three years preceding the date of the Draft Red Herring Prospectus	0.00	[●]	0- 10

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. No.	Name	Designation (Independent / Whole-Time / Executive / Nominee)
1.	Krishna Kanth Muppalla	Chairman & Whole Time Director
2.	Chinthala Mohan Reddy	Managing Director
3.	Haripriya Muppalla	Non-Executive Director
4.	Shashank Garg	Independent Director
5.	Sweta Pareek	Independent Director
6.	Gangireddy Gari Jaihind Reddy	Chief Financial Officer
7.	Vanshika Singh	Company Secretary & Compliance Officer

For further details, please refer to the chapter titled **“Our Management”** beginning on page 163 of the Draft Red Herring Prospectus.

AUDITOR QUALIFICATIONS

There are no audit qualifications which have not been given effect in the Restated Financial Statements.

SUMMARY TABLE OF OUTSTANDING LITIGATIONS

A summary of outstanding litigations proceedings involving our Company, Promoters, Directors, KMPs, SMPs and Group Company (to the extent material to our Company) as on the date of the draft Red Herring Prospectus are as below:

S. No.	Name of Entity	Criminal Proceedings	Tax Proceedings	Actions by statutory and regulatory authorities	Other Pending Material Litigation	Number of Cases	Aggregate amount involved (₹ in lakhs)
1.	Company						
	By the Company	30.00	NIL	NIL	25.33	5	55.33
	Against the Company	NIL	29.82	NIL	NIL	2	29.82
	Sub-Total (1)	30.00	29.82	0.00	25.33	7	85.15
2.	Promoters/ Directors						
	By Promoters/Directors	NIL	NIL	NIL	NIL	NIL	NIL
	Against Promoters/Directors	NIL	4.14	NIL	NIL	2	4.14
	Sub-Total (2)	NIL	4.14	NIL	NIL	2	4.14
3.	KMPs (other than Directors)						
	By KMPs	NIL	NIL	NIL	NIL	NIL	NIL
	Against KMPs	NIL	NIL	NIL	NIL	NIL	NIL
4.	SMPs						
	By SMPs	NIL	NIL	NIL	NIL	NIL	NIL
	Against SMPs	NIL	NIL	NIL	NIL	NIL	NIL
5.	Group Company						
	By Group Companies	NIL	NIL	NIL	NIL	NIL	NIL
	Against Group Companies	NIL	NIL	NIL	NIL	NIL	NIL

For further details, please refer to the chapter titled **“Outstanding Litigations and Material Developments”** beginning on page 259 of the Draft Red Herring Prospectus.

DECLARATION BY THE COMPANY

QUESENTIALS LIMITED	11
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We hereby declare that all relevant provisions of the Companies Act, 2013, the rules made thereunder and the regulations, guidelines and circulars issued by the Securities and Exchange Board of India, as applicable, have been complied with and that no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules, regulations, guidelines and circulars issued thereunder, as applicable. We further certify that all statements contained in this Draft Red Herring Prospectus are true and correct.