Dated:- November 14, 2026

To,
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001,
Maharashtra, India

Scrip Code: 544568 **Scrip ID: ZAPPFRESH**

Dear Sir,

Sub: Statement on Deviation or Variation of funds under Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations)

Pursuant to Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company hereby confirms, that the Company has made a public issue (IPO) for 59,06,400 equity Shares and raised Rs. 59.06 Crores on BSE SME and Listed as on October 09, 2025.

Hence, the statement of deviation or variation in public issue, rights issue, preferential issue, etc. under Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter & Half Year ended September 30, 2026, is enclosed herewith.

We would request you to please take note of the same.

Thanking you,

Yours faithfully,

For DSM Fresh Foods Limited
(Formerly known as DSM Fresh Foods Private Limited)

DEEPANSHU MANCHANDA
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Date: 2026.11.14 19:23:50 +05'30'

Deepanshu Manchanda
Managing Director
DIN:- 07108044
Address:- 2710/7 Second Floor Street No. 7,
Chuna Mandi, Pahar Ganj, New Delhi 110055

Encl: Statement of Deviation Report

Name of Listed Entity	DSM Fresh Foods Limited
Mode of Fund Raising	Initial Public Offer (IPO)
Date of Raising Funds	October 06, 2025
Amount Raised	₹59.06 Crore
Report filed for Quarter 2 ended for the FY 2026-27	September 30, 2026
Monitoring Agency	Applicable
Monitoring Agency Name, if applicable	Care Ratings Limited
Monitoring Agency Report Date	November 13, 2026
Is there a Deviation / Variation in use of funds raised?	Yes
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	No
If yes, date of shareholders' approval	NA
Explanation for Deviation / Variation	As per Monitoring Agency observations, deviations have been noted in utilization of IPO proceeds.
Comments of Audit Committee after review	Audit Committee noted the observations of Monitoring Agency and management explanations thereon.
Comments of Auditors, if any	Nil

1. Objects for which funds have been raised and where there has been a deviation, in the following table:-

Original Object	**Modified Object, if any**	**Original Allocation (In Cr.)**	**Modified allocation, if any**	**Funds Utilised Till September 30, 2026**	**Amount of Deviation/Variation for the quarter according to applicable object**	**Remarks if any**
Capital Expenditure Requirement	-	10.68	-	10.18	During Q2FY27, utilization of Rs. 4.53 crore is made towards capital expenditure on cold storage operated by the company.	Utilization basis the actual business requirements. Rest of the unutilised amount to be utilized in the next quarters.
Marketing Expenditure	-	15.00	-	14.98	During Q2FY27, Rs. 6.38 crore utilised for online/ offline advertising and performance marketing	Utilization basis the actual business requirements. Rest of the unutilised amount to be utilized in the next quarters.
Working Capital Requirement	-	25.00	-	24.83	No amount has been utilized for working capital	-
Unidentified Acquisition & General Corporate Purposes	-	2.18	-	2.12	No amount has been utilized for general corporate purposes during Q2FY27	-

Issue Related Expenses	-	6.21	-	6.14	No amount has been utilized for issue related expenses during Q2FY27	-

Nature of Deviation

1. As per the implementation schedule outlined in the offer document, the company was expected to deploy Rs 12.50 crore under the "Working Capital Requirement" object during FY26 and Rs. 12.50 crore in FY27. Similarly, Rs. 1.09 crore was to be deployed under "Unidentified Acquisition (UA) and General Corporate Purposes (GCP)" during FY26 and Rs. 1.09 crore during FY27. However, by September 30, 2026, the company had already utilized ₹24.83 crores under WC requirement and ₹2.12 crore under UA & GCP, significantly exceeding the planned allocation.

2. Under "marketing expenditure", entire Rs. 15.00 crore was to be utilized towards "Advertisement through HT Media Platform". During Q2FY27, company incurred Rs. 6.38 crore for advertisement & marketing through other sources such as google ads, Facebook ads, offline marketing as well as other performance marketing., under the object of "Marketing expenditure", which is not specifically covered under "Advertisement through HT Media Platform".

3. As per the audit report for FY26, it has been stated that company has not complied with Section 185 of the Companies Act, 2013 relating to unsecured advances/loans to Managing Director Deepanshu Manchanda and Director Priya Aggarwal. During FY26, ₹47.33 lakh was advanced to Deepanshu Manchanda and ₹203.10 lakh to Priya Aggarwal; balances outstanding as at 31 March 2026 were ₹40.25 lakh and ₹34.75 lakh respectively. The company subsequently obtained shareholder approval for loans, guarantee or security under section 185 of the companies act, 2013 up to Rs.100 crores, through the Extra-Ordinary General Meeting ('EGM') held on Saturday, July 25, 2026.

Board Comments on Deviation:

1. As per the Prospectus, the proposed amounts under "Working Capital Requirement", "Unidentified Acquisitions and General Corporate Purposes" and other heads were basis estimates of management. Although the timing of actual utilization depends on multiple business factors.

2. As per the Prospectus, company intends to do branding and marketing by collaborating with social media platforms. Company has utilized the funds for the same purpose through HT Media and other channels depending on the estimated returns from each channel.

3. Advances were provided to the Directors for distribution and utilization towards various office-related expenses incurred by staff, including travelling expenses, staff welfare expenses, repairs and maintenance, and other operational expenses. The expenses were subsequently accounted for based on supporting documents and expense details submitted.

Deviation or variation could mean:

(a) Deviation in the objects or purposes for which the funds have been raised or

(b) Deviation in the amount of funds actually utilized as against what was originally disclosed or

(c) Change in terms of a contract referred to in the fund raising document i.e. prospectus, letter of offer, etc.

For DSM Fresh Foods Limited
(Formerly known as DSM Fresh Foods Private Limited)

DEEPANSHU MANCHANDA

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Deepanshu Manchanda
Managing Director
DIN:- 07108044
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